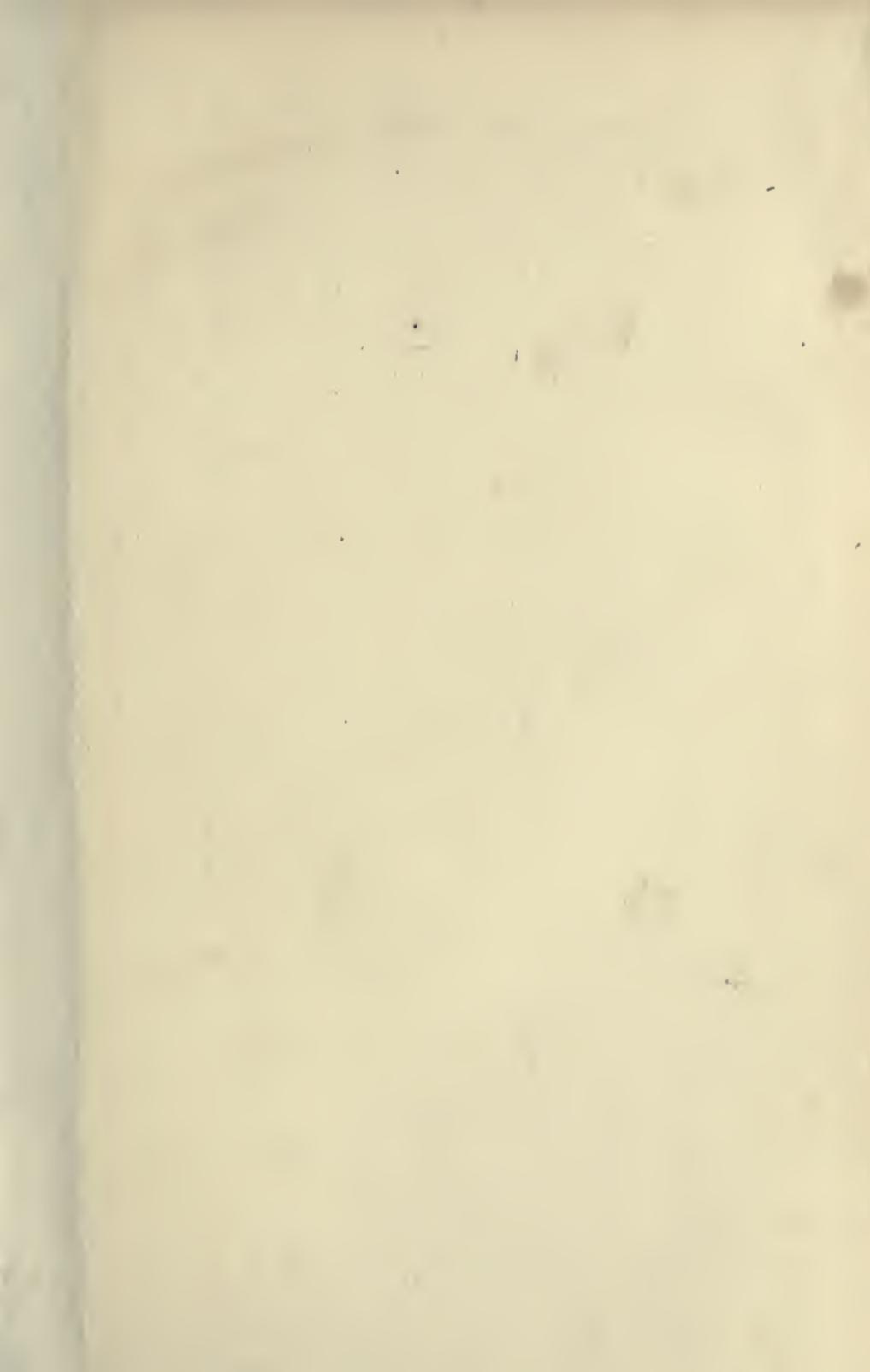
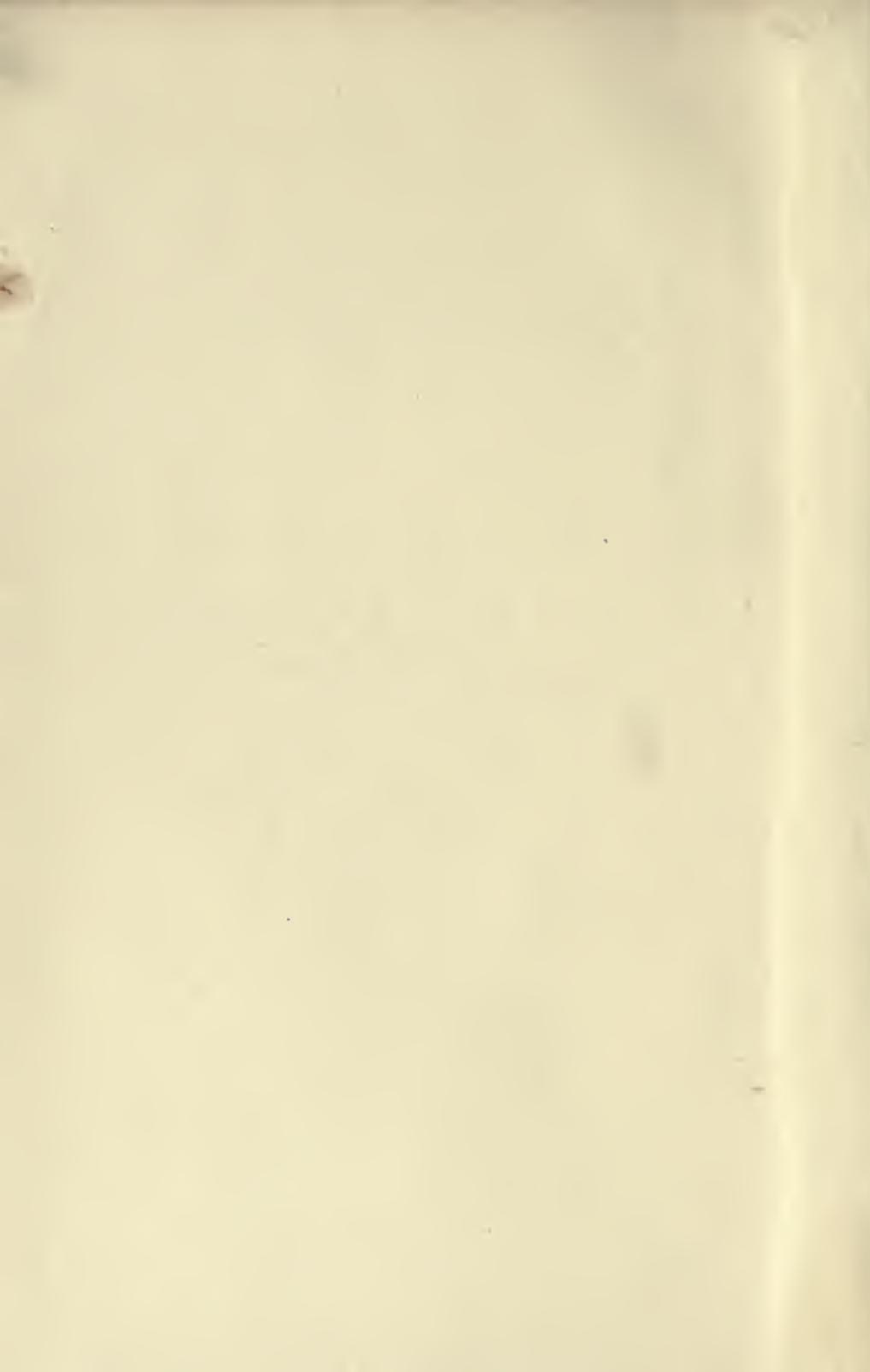


YB 19150

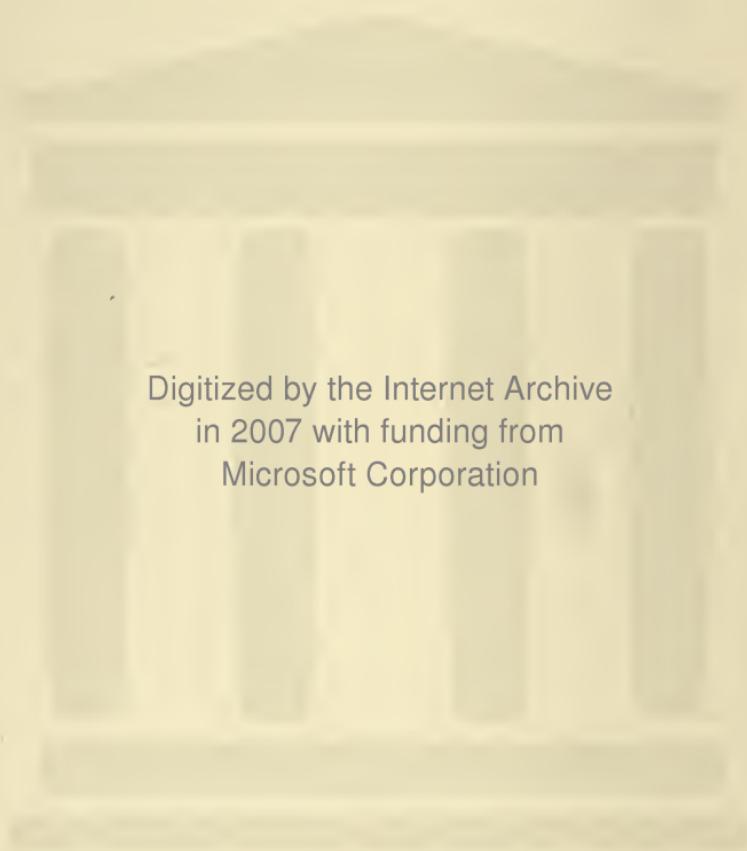
LIBRARY  
OF THE  
UNIVERSITY OF CALIFORNIA.

*Class*





(



Digitized by the Internet Archive  
in 2007 with funding from  
Microsoft Corporation

YALE LECTURES ON THE  
RESPONSIBILITIES OF CITIZENSHIP

---

THE CITIZEN IN HIS RELATION  
TO THE  
INDUSTRIAL SITUATION



THE CITIZEN IN HIS  
RELATION TO THE  
INDUSTRIAL SITUATION

YALE LECTURES

BY

HENRY CODMAN POTTER, D.D., LL.D.  
BISHOP OF NEW YORK



NEW YORK  
CHARLES SCRIBNER'S SONS  
1902

HD 8072  
.P1

Copyright, 1902, by  
YALE UNIVERSITY

*Published October, 1902*

GENERAL

THE DEVINNE PRESS

## CONTENTS

CHAPTER	PAGE
I THE INDUSTRIAL SITUATION . . . . .	3
II THE CITIZEN AND THE WORKING MAN . . . . .	41
III THE CITIZEN AND THE CAPITALIST . . . . .	83
IV THE CITIZEN AND THE CONSUMER . . . . .	125
V THE CITIZEN AND THE CORPORATION . . . . .	165
VI THE CITIZEN AND THE STATE . . . . .	206



SOMEWHAT more than two years ago, Mr. William E. Dodge gave to Yale University a fund whose objects are conveyed in the accompanying clauses:

“I desire to make a gift to the University for the purpose of promoting among its students and graduates, and among the educated men of the United States, an understanding of the duties of Christian citizenship and a sense of personal responsibility for the performance of those duties.

“For the furtherance of the purpose in view, it is my desire that the income of the fund thus given should be paid each year to a lecturer of distinguished attainments and high conception of civic responsibilities; who shall deliver a course of lectures on a topic whose understanding will contribute to the formation of an intelligent public sentiment, of high standards of the duty of a Christian citizen, and of habits of action to give effect to these sentiments and these standards. The lectures thus provided are to be known as the Yale Lectures on the Responsibilities of Citizenship.”



THE CITIZEN IN HIS RELATION  
TO THE  
INDUSTRIAL SITUATION





# I

## THE INDUSTRIAL SITUATION

THE founder of these lectures recognized, with a rare penetration, one of the dangers of college and university life: the danger that learning shall become merely academic. I use the word in that sense in which James Russell Lowell uses it when, as some of you will remember, he says, in his "Essay on Democracy": "The question is no longer the academic one, Is it wise to give every man the ballot?" but rather the practical one, "Is it prudent to deprive whole classes of it any longer?" That is to say, it is possible to deal with large and grave questions, groups of facts, volumes of history, phenomena of science, in such a way as to leave all one's learning, so to speak, up "in the air," touching no living interest, and least of all concerning one's self with any personal service.

It is true that this has not, hitherto, been

## THE INDUSTRIAL SITUATION

supposed to be the tendency of our American centres of learning. On the contrary, we have been a good deal girded at, especially by our German brethren, because our scholarship has been so little academic and so largely, if not exclusively, “practical”—if not exclusively commercial. In other words, we have heard it said, abroad if not at home, “You Americans care for learning only if you can coin it; for knowledge only as you can hitch it to a machine, and make it push, pull, roll, weave, or build, out of primitive elements, a ship or a factory. You cannot even understand, much less appreciate, the fine enthusiasm for learning for its own sake; as when one of your philologists of much local repute received with a shout of laughter the statement of a young German professor that, having devoted ten years to the study of Greek prepositions, he was going to confine himself, for the rest of his life, to the study of the Greek particle *de* (δέ).”

And undoubtedly there has been, in certain directions of study, a good deal of truth in this. But it is no less true that, along with such

## THE INDUSTRIAL SITUATION

a tendency in our modern, and especially in our American life, there survives a very different tendency which, alas, in the highest realms of learning, has been characteristic of all ages. For what are the highest realms of learning, but those which touch the domain of moral principles, and have to do, finally, with the building of human character? It would be an interesting if melancholy task, if, here, I had time for it, to pursue the history from this point of view both of philosophy and of theology. Both these have too much concerned themselves with the making of systems, and too little with the making of *men*. But it is more *men* that the world wants, not more systems. It is character that our modern life waits for, to redeem and transform it; and conduct as the fruitage of character. And for this reason it was, if I have understood him aright, that the author of this foundation created it. He saw, as one of clear vision and of high ideals, which a chivalric and untiring service for his fellow-men has steadfastly illustrated, that to make a state or a republic great you must rear in it, and for it, men with great ideals not only as

## THE INDUSTRIAL SITUATION

scholars, or soldiers, or scientists, but as citizens; and it is to this end that these lectures have been, and are to be, devoted.

I shall confine myself to a single aspect of the subject; and so, I venture to think, shall best serve the purpose of the founder. A citizen is a man rightly concerned, and indirectly responsible, at any rate, under our form of government, for the well-being of the *civis*,—the city, the state, the republic; but we cannot turn to ask, “In what is it that that well-being consists?” without being constrained to recognize that there are some aspects of it which are distinctly and exclusively modern. What the citizen was in Athens or in Rome, what he owed to the republic or the empire, cannot define what he owes here and to-day, simply because conditions, then and now, have, from almost every point of view, so wholly changed.

From none of them is this more true, than from what I may call the industrial point of view. A new world has come into being within the last century; and the transformations which have been wrought have touched, not alone material conditions, agencies, forces, but, as

## THE INDUSTRIAL SITUATION

must inevitably be the case where these are the products of the mental activity of the race, the whole of human society. The ancient working man and the modern working man are no longer one. The capitalist has come to have a new and portentous meaning, of which previous ages did not even conceive; and the consumer to have both powers and responsibilities, if he will recognize them, equally large. The corporation, in modern times, and the State have developed into relations, potential, minatory, or beneficent in their possibilities, of which the elder world never even dreamed; in a word, citizenship to-day has come to have, in these aspects of it alone, a new and wider and more various meaning than ever before.

And so, in consonance, I believe, with the purpose and design of this foundation, it is my purpose to speak in these lectures of the Citizen in his Relation to the Industrial Situation, and to those various aspects of it involved in the personalities and associations which I have already named.

It will be well for us, however, before undertaking to deal with those great questions which

## THE INDUSTRIAL SITUATION

in this connection have arisen, to discover, if we may, the causes and processes which have been influential in creating what may best be described as the present situation. The evolution of human society is one of the most fascinating studies that can invite the scholar; and in no department of critical inquiry is the operation of great and inexorable and, on the whole, beneficent laws more manifest. Within the limits prescribed for me here, any review of this evolution must needs be restricted and partial; but, happily, it is a case in which such a partial review will sufficiently answer our purpose as indicative of a law that has widely and persistently operated. And, as furnishing to us at the outset a definite point of departure, let us recall for a moment the birth of Latin civilization.

The growth of the Roman Empire was a growth based upon the development of law and of visible authority. Human society in Egypt, Greece, and Persia had long before begun to advance beyond the patriarchal stage, and to gravitate toward the transformation and centralization of power into various forms of monarchical government. But it remained for

## THE INDUSTRIAL SITUATION

Rome to take these various forms of local sovereignty and authority, and coördinate and consolidate them in the empire. That there was here a higher conception of law than that which theretofore the civilized world had known, the incomparable code of Justinian still survives to bear witness. But behind the law was the army; and the army—the Roman centurion and his like—was, to the average mind of that era of the world's history, the visible expression of its organized life, and of the final law of its being. What, however, did the army stand for but, supremely, the idea of discipline; and what in turn did discipline stand for but that a man's lot in life was fixed, and that, in the exercise of his individual faculties and powers, he was himself to be contented with the conditions into which he was born, and the tasks to which he was set. Slave or sovereign, priest or peasant, he was, after all, simply part of a vast system which assigned to him his task, defined its limits, and determined its rewards.<sup>1</sup> Might was “in the saddle,” and men were governed by the will of the strongest. The king, the priest, the master,

<sup>1</sup> “Introduction to Social Philosophy,” J. S. Mackenzie, p. 74.

## THE INDUSTRIAL SITUATION

was firmly established at the top: the serf, the peasant, the apprentice, was firmly fastened at the bottom. It was, to use one of Carlyle's expressive phrases, the "brass collar period."<sup>1</sup>

How odious such a phrase sounds to a modern ear! And yet it needs only a little reflection to remind us that it may easily have stood for an age of considerable privilege and happiness. For it must always be remembered, when we are comparing such times with our own, that servitude, in whatever form, whether military, ecclesiastical, or civil, brought with it considerable immunities, back toward which, in freer ages, people of larger freedoms and more absolute personal liberty might easily look with longing and regret. Neither the serf nor the soldier had any least concern about his daily bread. That, the order under which each toiled or served was bound, of necessity, to provide. As little was either concerned for his physical protection and well-being. To care for that, every selfish interest, if not any humane instinct, pledged those whose safety and prosperity rested, finally, very largely on the soldiers' or the serfs' efficient service.

<sup>1</sup> Carlyle, "Past and Present."

## THE INDUSTRIAL SITUATION

They were free from care for the present or anxiety for the future; and it is doubtful whether the average of human happiness among them was not often as high as, if not sometimes higher than, that of the average life of the toiler or artisan in the foul and over-crowded homes of the poor in our great cities to-day. The uncertainties of the wage-earner; the fierce strife for bread of the modern miner or agricultural laborer,—these were miseries out of which what we call militarism, whether in the state or in the church,—and its spirit existed with equal absolutism in both,—substantially delivered those who for centuries so widely, if not always contentedly, rested under it.

Not always contentedly, however; for the time came, as inevitably it was destined to come, when the age of authority paled and waned before the dawn of that era which historians have described by many names; assigned, so far as its organic beginnings were concerned, to more than one period in the progress of civilization; and accounted for sometimes by opposite if not contradictory forces. It is enough for our purpose to remind

## THE INDUSTRIAL SITUATION

ourselves that the time came when the slave no longer rested content with being a slave; and when the declaration of Rousseau that "man is born free, and yet everywhere is in chains" had its various foreshadowings in the strife of his barons with King John; in the dawn of that great intellectual movement known as the Renaissance; and in the beginnings of that age of criticism when captains and kings "and everything that claimed authority over men had to be weighed in the balance of human reason—with a certain *a priori* conviction that they were sure to be found wanting."<sup>1</sup>

Now at this point it may be asked what has all this to do with the questions which we are considering here,—those questions, I mean, of economic adjustment which you and I believe to be fundamental to the obligations of the citizen and to the constitution or the reconstitution of our social order. A moment or two of reflection will, I think, make this clear to us. What was it which followed from the decay of the age of militarism, and the dawn of the age of criticism? Plainly this; that, as corporate

<sup>1</sup> "Introduction to Social Philosophy," J. S. Mackenzie, p. 74.

## THE INDUSTRIAL SITUATION

authority declined in power, the intelligence and will and energy of the individual roused themselves to take its place. The student of mediæval history will remember the phrase “One God, one Pope, one Emperor.” Hegel, in his “Philosophy of History,” has shown us how vain an ideal it was; but its impotence was not disclosed until the dawn of the Reformation. With the more distinctly religious aspect of that great movement we are not now called upon to concern ourselves. That which is germane to this discussion is that view of it in which it stands revealed as the disclosure of a new social force. The right of private judgment involved, of necessity, more than the right to judge in religious matters. Inevitably there went with it the right to judge in political and social matters. In a word, the spectre of authority, august, imposing, hitherto constraining and terrifying, faded before the dawn of a day when men looked their fellow-men resolutely in the face; claimed their freedom not alone to think, but to choose and to act; broke away from the old subordinations in which they had been so long held in subjection; asserted their right to shape their own lives, to choose

## THE INDUSTRIAL SITUATION

their own callings; to combine upon their own terms;—and a new age was born!

And thus we are brought to the threshold of that era which is distinctively our own, and which may be called the industrial era. First the era of militarism; then the era of freedom; and then, as some think, by a strange paradox, arising out of it, the age in which you and I are living, and which many men think is least of all an age of freedom. And yet the steps by which it has been reached are intelligible, and were inevitable. Out of the older and more benumbing order of a society in which each individual was held fast to the caste, the trade, the calling to which he had been born, there arose an age in which freedom gave at last to the individual his best chance. The lowliest might, if he would and could, climb to the place of the highest. The barber's apprentice in England, seated at last upon the Woolsack and dispensing law for an empire, became the type and image of what any man with equal gifts and courage and industry might achieve. There were no longer any fixed and impenetrable ranks and classes.

Do you not see what inevitably came out of

## THE INDUSTRIAL SITUATION

it? If you and I are no longer to be held in bondage to a chief, a lord, a sovereign, then not only are we free to choose our own callings in life, but to choose the same callings, and to strive, side by side, for superiority or success in them. And the wider the opportunities, the richer the rewards, the more numerous the contestants, the fiercer the strife becomes, and so you have the age of competition. In commerce, in manufactures, in the mechanic arts, nothing is more dramatic than the history of this universal rivalry. The two American clipper ships racing, fifty years ago, from China across the Pacific to see which should first land their cargoes in the harbor of New York, are a picture of all the rest. The inventions of one mechanical genius are quickly eclipsed by those of another; and the tool of yesterday, so clever, so original, and so indispensable yesterday, is made swiftly worthless by the invention of to-day.

Your minds must surely have outrun my own in anticipating what has been the next great step in the history of our social progress—or social decadence, as some have been disposed to call it. For, no sooner had the world's

## THE INDUSTRIAL SITUATION

workmen won their freedom than they have seemed, to many thoughtful observers, in danger of losing it. There is a curious significance just here in the relation of one single discovery or movement to the whole situation,—I mean the invention of printing. The dawn of the Reformation—of the great era of intellectual and moral freedom—was coincident, substantially, with the age and achievement of Gutenberg. In a night, as it were, it became possible almost indefinitely to widen the area of the world's knowledge by the agency of a single invention, the printing-press. But the printing-press, after all, was a machine, not a man; and as machinery went on becoming more complex, more competent, I had almost said more omnipotent, the individual sank, increasingly, in significance and value. And all the while, the grasp of commerce and the industrial arts grew wider and more omnivorous; and the fierce struggle to meet the growing demands of huge competitive industries more remorseless and exacting. It was inevitable that such a warfare should produce its present results. The limitations of individual capital, the uncertainties of indi-

## THE INDUSTRIAL SITUATION

vidual enterprise, the enormous wastefulness of unregulated competitions, crippled, disheartened, and, oftener than otherwise, impoverished those who engaged in them. And then, naturally and obviously, there dawned the era, first of combinations of capital, and then of combinations of labor. Whichever preceded the other,—and it is not necessary to our purpose here to answer that question,—one simply could not be without the other. If capitalists combined to economize the cost of production, the laborer must combine to protect himself against such applications of that economy as, to him, would be remorseless or fatal. Especially was this the case as the progress of the mechanic arts tended more and more toward the specialization of labor. It mattered little, comparatively, to a workman, when he was, *e.g.*, a mechanic making a whole thing, whether he found employment in the manufacture of that particular thing or of something else; for the knowledge and aptitudes which he had acquired in mastering his particular craft or art, even though directed ordinarily toward the making of a single thing, had given him deftness and facility sufficient to enable him to turn his in-

## THE INDUSTRIAL SITUATION

dustrial activity in half a dozen different directions. But as machinery went on usurping, one after another, the various earlier hand-crafts, the relation of the individual workman came to be at once increasingly narrow and mechanicalized. Imagine the contrast between Quintin Matsys at Antwerp, forging and moulding and hammering out the exquisite constructions in wrought iron that some of us have seen in the old world ; and a modern workman whose solitary task in some huge establishment from morning till night, day in and day out, consists in turning a single strip of iron back and forth as he presses it between a mammoth pair of shears ! What is such a man worth when, dismissed from such a task, he is bidden to find another—having, it may be, no slightest resemblance to it—or starve ? The only alternative for such a wretched being—and it belongs to you and me to remember that there are millions of them—is in some such form of industrial combination as shall bind together him and his fellow-workmen in a common fellowship for mutual protection.

Now, it is with the consequence of such a situation that you and I, and especially those

## THE INDUSTRIAL SITUATION

of us who by our calling and office stand for those forces and influences which are ordained to be the mightiest and most beneficent in human affairs, are directly concerned. The first and most grave consequence of such a condition of our social forces as I have indicated is its tendency toward mutual alienation. It is almost impossible for people of our own era to conceive of those social conditions which our own much-vaunted civilization has displaced. It is undoubtedly true that the individual, in those classes and callings which are at the bottom of the social scale, has to-day much more of a certain kind of freedom; but it is scarcely less certain that he has much less, so far as those above him are concerned, of any kind of personal consideration. The ages, military, mediæval, whatever they were that succeeded the patriarchal ages, dismissed out of their common life a great deal that was primitive and elementary; but there survived features of the earlier family life which to have lost, as we have certainly and I fear irreparably lost them, is to have sustained a deprivation, I had almost said depravation, which is incalculable. When the serf and the

## THE INDUSTRIAL SITUATION

master, the apprentice and his employer, the clerk and the shopkeeper, slept under the same roof; ate, often, at the same table; and daily touched each other's lives in countless ways, it was inevitable that there should have existed not only a community of interests, but a community of *interest*, of sympathy, of mutual understanding and appreciation, which the modern conditions of labor and its employment have banished utterly. There were trades-unions, then: the mediæval guilds were simply trades-unions under a different name;<sup>1</sup> but they were trades-unions of a wider scope, because master and workman were organized in the same union with a common interest, not in hostile unions with conflicting interests.

And out of this have issued, by the working of an inexorable law, the elements of a still graver situation. It is not alone that the workman in a particular mill or mine or factory has come, frequently, to stand in antagonistic relations to his own employer, or to that huge officialism that contracts with him,—for too often it is the case that there is no individual

<sup>1</sup> See, *passim*, "Trades-Unionism, New and Old," George Howells.

## THE INDUSTRIAL SITUATION

employer, but only some salaried functionary who holds his place and draws his pay only so long as he rules with a stiff hand and holds a tight rein,—out of our present situation it has come about that there has been begotten a sullen class hatred which is quite as acute here in our own republic as under the most despotic forms of government; and whose menace threatens not only the relations which bind together certain industrial interests, but the whole social fabric. Many of us are so far from the literature of this particular mental attitude that we are largely ignorant of its animus; but the very latest socialistic organization of which I have seen an authentic report, holding its meeting in the chief city of the country, and having under consideration the questions of an enunciation of principles and the choice of fit candidates for office, declares itself equally indifferent to either of them, and affirms that it has but one aim and object before it, and that, that which is expressed in the battle-cry “Down with Capital!”<sup>1</sup>

That such is the animus, at any rate, of mod-

<sup>1</sup> Declaration made at a socialistic meeting in New York in July, 1901.

## THE INDUSTRIAL SITUATION

ern socialism only those who have not taken the trouble to follow its history can be ignorant. Not original here, in its organized form, it has reproduced on this side of the Atlantic the most radical and destructive principles of those who were its founders and disciples on the other. Undoubtedly the crude and vague terms "socialism" and "socialist" need definition; and a fundamental qualification, as I shall presently indicate more in detail, is implied in the terms "Christian socialist" and "Christian socialism," which are claimed and used by men of devout character and the highest aims. But, in its broader sense, the secular socialism of the old world and the new are one. There could not well be any more precise definition of its principles than the familiar formula, long used by its disciples to define its objects, "the collective ownership and control of the means of production, distribution, and exchange." So far as the matter of any connection with anarchism is concerned, the relation of the modern socialistic movement must in all probability remain a disputed question. No efforts to condemn anarchistic methods in socialistic assemblages have met with marked

## THE INDUSTRIAL SITUATION

success, while, on the other hand, Dr. and Mrs. Aveling, leading socialistic authorities, have declared that "well-nigh every word spoken by the chief defendants of the Chicago trial of Parsons could be endorsed by socialists, for they preached not anarchism but socialism. Indeed, he that will compare, they say, the fine speech of Parsons (the anarchist) in 1886, with that of Liebknecht at the high-treason trial at Leipzig, will find the two practically identical."<sup>1</sup> "Communist anarchists," says Mr. Geoffrey Drage, whose most able work on the "Labor Problem" I would commend to the attention of every serious student of social and economic questions,—"communist anarchists adhere to the economic doctrines taught by Karl Marx, and maintain that human progress lies in the direction of the 'socialization of wealth and integrated labor.' " They, like the revolutionary socialists, are most bitter in their attacks on the present system of society, though when the former at times justify the "propaganda of deed," the socialists are inclined to draw the line at the "propaganda of word."

<sup>1</sup> "The Working Class Movement in America," Edward and Eleanor Marx-Aveling.

## THE INDUSTRIAL SITUATION

In an article on "Anarchism and Outrage," reprinted from the anarchist journal "Freedom," anarchists are referred to as "propagandists of socialism who will have none of parliamentary elections." Anarchists of this type are also at one with the socialists in their demand for common ownership of property and a system of common production, but they are more socialistic than the socialists in that they maintain that a system of common production must, of necessity, lead to a system of common consumption. "Apart from the question of a future government, anarchism," says Mr. E. Belford Bax, in the "Religion of Socialism," "may be said to be but an extremer phase of socialism." A further similarity can be traced between the views with regard to human nature which underlie both the socialistic and anarchistic theories. Whether explicitly or only implicitly, the socialists appear to hold that the development of character is dependent mainly on external circumstances. In the preface to his "Religion of Socialism" Belford Bax states: "The bourgeois moralist is never tired of preaching the reform of the individual character as the first condition of

## THE INDUSTRIAL SITUATION

human happiness, ignoring the fact that science knows of no such thing as an individual character, apart from social surroundings. He holds fast to the old fallacious standpoint, according to which individual good men make healthy social conditions, rather than acknowledge the truth that it is healthy social conditions that make good men.”<sup>1</sup>

There could not, on the whole, be a more intelligible and explicit definition of socialism than this, and it ought not to be surprising therefore that it has so often passed on into those extremer forms of a godless atheism to which I have already referred. “It behooves us,” says one of their recent exponents, “to redouble, then, our efforts to free the world not only from the superstition of capitalism and authority, but also from the superstition of religion and a belief in God. For man will never be free until he has rid his mind of this God-idea, the invention of the lying priests. Socialism, in the future, must go forward side by side with atheism, for the socialism which is not atheistic is inconsistent and illogical.” Bakounin, in his work “God and the State,”

<sup>1</sup> “The Labor Problem,” Geoffrey Drage, pp. 348-349.

## THE INDUSTRIAL SITUATION

has laid down the law with such clearness that there is no possible evasion of the issue for those who are truly socialists. “The idea of God implies the abdication of human reason and justice: it is the most decisive negation of human liberty, and necessarily ends in the enslavement of all mankind. . . . If God is, man is a slave; now man can and must be free; then God does not exist. I defy any one whomsoever, says this author, to avoid this circle; now, therefore, let all choose.”<sup>1</sup>

I do not need to remind those to whom I am speaking that there is a very different kind of socialism, having indeed, substantially, the same ends in view, but resting its endeavors upon a very different basis, and inspired by a very different spirit. If the modern socialist movement rose with Robert Owen in 1817, “when Owen laid his scheme for the establishment of a socialistic community before a parliamentary committee appointed to enquire into the poor law,”<sup>2</sup> it owed its greatest impulse to the labors of such men as Frederick Dennison Maurice, Charles Kingsley, Thomas

<sup>1</sup> Letter in the “Commonweal,” Sept. 30, 1893.

<sup>2</sup> “The Labor Problem,” Appendix I.

## THE INDUSTRIAL SITUATION

Hughes, Ludlow, Vansittart, Neale, and their like, who touched a dark and perplexing problem with the transforming word of Christian self-sacrifice. The best in some of our more modern teachers, Robertson, Bushnell, Westcott, and their like, who brought to the miseries, the maladjustments, the socio-industrial hardships and injustices of our modern life, a vision so clear, a touch so tender, and a scrutiny so patient and penetrating, that, step by step, up out of the caverns of despair in which some of the horrors of our nineteenth-century industrialism had plunged them, multitudes of all but despairing souls climbed upward toward the light, came from these great teachers!

And the reason for this was that these men and those who came after them turned upon the perplexing problems of our social disorders the light of a divine life. For centuries the church had been getting farther and farther away from the people, understanding them less, seeing them less, loving them less. For well-nigh a thousand years religion stood in the popular mind only for a colossal and portentous menace on the one hand, and for a

## THE INDUSTRIAL SITUATION

splendid ceremonial and a grasping company of official ceremonialists on the other. And then at last, the Bible, with its strange and unfamiliar message, broke on the ears of the people, and slowly filtered down into the popular consciousness, as the revelation of a new and divine social order, here and to-day.

There are still ecclesiastics, even among ourselves, who do not believe anything of the sort. There are still devout men, and they in holy orders, who believe that my presence here, and yours as listeners to anything that I may say, is a grave misuse, if not a dangerous perversion, of spiritual office and function. There are still men and women, everywhere, who call themselves religious, who do not hesitate to maintain that religion has nothing whatever to do with the social conditions of human life, unless it be to teach men to look forward to an existence when they and their fellows shall be delivered from them; and, meanwhile, to cultivate such patience and resignation as they may. And since this is so you and I must first of all be able, in the face of all that confronts us in these problems, social, economic, and industrial, to show that religion has some warrant

## THE INDUSTRIAL SITUATION

for being concerned with them, and that, in the great task of their solution, we may not, must not, withhold our hands. To what, now, does such a challenge send us if not to the feet of Jesus Christ? He is our Master, and we are His pupils. Has He spoken on these questions? Does the story of His life and teaching give us any warrant for concerning ourselves with them? He came to be the founder of a new religion: does it give us laws and principles for this world and life, or only for another? To these questions there are, I submit, explicit and definite answers; not always, it may be, in the form of precepts, but always and everywhere, from the beginning to the end of the earthly ministry of Jesus, by the illustration or enunciation of infallible and universally applicable principles, which he who runs may read, and which touch the whole circumference of man's daily life. I would not forget, just here, and I would not have others forget, that wise caution of a discerning teacher of our own time<sup>1</sup> who has reminded us that "Nothing is easier for the brain fertile

<sup>1</sup> Professor Shailer Matthews, "The Social Teaching of Jesus," p. 7 *et seq.*

## THE INDUSTRIAL SITUATION

in generalities, and for the heart burning with sympathy and indignation, than to evolve a system from a sentence or a term. In this particular, Christian Sociology is re-running the career of Christian Theology. As the dogmatic theologian has, too often, made a system of philosophy masquerade as a theology by dressing it out with a series of more or less well-fitting proof-texts, so, too often, modern prophets to a degenerate church, in sublime indifference to the context, time of authorship, and purpose of a New Testament book, and with an equal neglect of the personal peculiarity and vocabulary of a New Testament writer, have set forth, as the word of Christianity, views which are but besculptured social denunciation and vehemence. But, on the other hand, it is no less to be remembered that the student of Occidental civilization who disregards the teachings of Jesus is as unscientific as he who, in the history of philosophy, should neglect Plato or Kant; or, in the history of the United States, should disregard the Constitution. No man's teaching has equalled His in the magnitude of its social results.'<sup>11</sup>

<sup>1</sup> *Ibid.*, p. 9.

## THE INDUSTRIAL SITUATION

What was His teaching? Is it true that it had relation only to another world, and to the conditions on which men were to reach it? Is it true that He came to tell men to despair of humanity, of society, of the life that now is, and the tasks that are, and the triumphs that may be, here? Then, certainly, when His disciples went to Him saying, “Lord, teach us how to pray,” He taught them after a most misleading fashion. For what He taught them was this: *Our Father, who art in heaven, Hallowed be thy Name. Thy kingdom come. Thy will be done on earth, As it is in heaven.* Do you grasp the wide reach, the large meaning, the explicit foreshadowing, of these words? “Our Father”—then the relation binding men to God was a filial relation, and the relation of men to one another was a fraternal relation; for it is at your peril that you change the first word of the prayer to “*my Father.*” “*Thy kingdom come. Thy will be done on earth, As it is in heaven.*” Then the kingdom of God is not a supernal realization in some distant realm or stage of being, but one which has its place in this realm and on our stage of being.

## THE INDUSTRIAL SITUATION

On the earth as it is done in heaven cannot mean that the kingdom of God is an unrealizable thing for humanity in this world, and with our ennobled powers and faculties, or else the words that bid us pray for it are a grotesque and monstrous mockery. And so, at the very outset of an inquiry as to the social teaching of Jesus Christ, we discover that He came with a message to man *as he is*,—nay, to *men as they are*,—in their solitary personalities, first of all, but no less surely in those complex relations which they bore, and bear, to one another as parents and children, teachers and pupils, masters and servants, hirer and hired; and so on, all through the various realms of life.

And all this is made overwhelmingly plain not only by Christ's teachings but by His life. Not alone do sermon and parable alike draw their imagery from the homeliest aspects of daily life, the sower and the reaper in the field, the steward of an estate, the laborers in the vineyard, the traveller by the wayside: but His own steps moved close all the while to these things; never separating or isolating Him from them; touched by, and touching, the lowliest humanity, all along, and forever emphasizing

## THE INDUSTRIAL SITUATION

the fact that the Fatherhood of God had no meaning as a principle of action unless it issued forever in the service and sacrifice that affirm the brotherhood of man.

This, then, is the message, these are the truths, with which we are charged. If they are not a part of the religion of Jesus Christ, then, verily, His religion has somehow become something else than He revealed, or His life and death proclaimed. And that—is it not time that we owned it frankly?—is the shame, too often, of its history among men. It is but a little while after their Master had ascended into heaven that we see the followers and successors of those whom He left to plant His truth among men, borrowing from the most powerful, but, alas! the most corrupt, empire that was contemporaneous with its birth, every note of splendor, every fierce lust of power, every implacable animosity toward those who challenged its authority, which had distinguished and disfigured the history of the empire that it supplanted. The world-spirit speedily came to be too strong for the Christ-spirit; and the divine society which Jesus Christ instituted, wherewith to efface the harsh

## THE INDUSTRIAL SITUATION

and rigid distinctions that had divided men, was made the instrument of reviving and emphasizing those distinctions. True it is that that great spiritual uprising in the sixteenth and seventeenth centuries to which I have already referred, found its beginnings in a wide and gracious return to primitive simplicity, and to the great doctrine of the common brotherhood of man; but secular forces since then, and, more than all, the secular spirit in those who claimed to have been raised above it, have too often renounced and disowned that oneness in Christian kinship and interest which they still loudly professed.

It is in such facts to-day, believe me, that are the chief obstacles to the progress of the kingdom of God in the world. That they who profess to be the disciples of that kingdom and the followers of the carpenter of Nazareth do not honestly accept His teaching, and have no serious purpose even to attempt to live His life,—this is a conviction which, however mistaken, is by great multitudes of people honestly held and widely shared. If it be so, the question which challenges us to-day is one which cannot be evaded or postponed. What we ought to

## THE INDUSTRIAL SITUATION

do, and what we can do, to disabuse embittered minds, and to win and enlighten those others who, to-day, are only ignorant or apathetic, is the most pressing demand upon clergy and laity alike. I sympathize with those among us who, in such an emergency as this, are repelled by the extravagance of religious teachers who, having cast in their lot with the advocates of social reform, have accepted social theories as the basis of a regeneration of society which in truth but exchange one set of errors for another. “The main plank in the platform of the Christian socialist” says a recent apostle<sup>1</sup> of what may not unjustly be described as a “decorated communism,” “the chief political reform at which he aims, being bound by his creed to go to the very heart of the matter, to be content with no tinkering, is the restoration of the land to the people. We Christian socialists maintain that this is the most far-reaching reform; that it is demanded by justice; and not only that it can be carried out in consistence with the highest morality, but that morality is impossible without it.” It is the sweeping character of statements such as these

<sup>1</sup> The Rev. Stewart Hedlam.

## THE INDUSTRIAL SITUATION

which have had quite as much to do with holding back any effective movement toward the betterment of our modern social conditions as any greed, or apathy, or unscrupulous combinations on the part of those who, in this whole business, most need to be won and persuaded. It cannot be denied that in their indignation in the face of conditions often cruel and degrading, and which involve in their misery large masses of their fellow-men, not a few earnest minds, and of these especially many ministers of Christ's religion, have not only hastened to social conclusions which have at once betrayed their large ignorance of economic facts and of fundamental ethical principles, but have also lent themselves to a propagandism of half-truths and a reckless employment of destructive or disorderly measures that are alike violations of essential equity and denials of the mind of Christ. From these iconoclasts of an existing order, and these destroyers of the social fabric, we turn in vain to Jesus to find for their acts, in any single word or deed of His, either vindication or excuse.

And therefore your duty and mine, in a situation such as this, is a very plain one.

## THE INDUSTRIAL SITUATION

The questions which to-day challenge the attention of all thoughtful people as those with which the future of the church, the family, and the republic are bound up, are, first of all, moral and not at all alone economic, or industrial, or scientific questions. As such, the citizen has a clear duty with regard to them which cannot be evaded or refused, and that duty is, first of all, to understand them. Next to the danger of apathy in great moral questions is the danger of mere emotionalism, sentimentalism, sensationalism,—passions often awakened with an awakening sense of injustice, cruelty, indifference, or greed. And these are the impulses to which much of our modern agitation in connection with socio-economic questions is apt to appeal. It is because of these that earnest and high-purposed men who have felt themselves constrained to respond to appeals made to them in His Name, have too often forgotten that He came to be the founder of a kingdom which should be based upon the truth,—not a fragment of it, a one-sided view of it, a perverted exaggeration of it, but the whole of it; and that, since this is so, and since in a cardid recognition of it there is the only

## THE INDUSTRIAL SITUATION

hope of unifying the warring forces of this world, and bringing them into subjection to the mind that was and is in Him, injustice to the rich, or the powerful, or the most favored, is as fatal to the progress of that truth as injustice to the poor or the least favored; and that therefore denunciations of wealth or rank, or personal or social inequalities, are as remote from His teachings as denunciations of poverty or lowliness or ignorance. Christ did not denounce wealth any more than He denounced pauperism. He did not abhor money: He used it. He did not abhor the company of rich men: He sought it. He did not invariably scorn or even resent a certain profuseness of expenditure. With a fine discrimination, He, while habitually discouraging it, yet recognized that, here and there, there was a place for it. What He denounced was the *love* of wealth; the *lust* of riches; the vulgar snobbishness that chose exclusively the fellowship or the ways of rich men; the habit of extravagance; in one word, greed and luxury and self-indulgence. He taught men, first of all, and last of all, that they were stewards; that in the final analysis of men and things neither they nor theirs were their

## THE INDUSTRIAL SITUATION

own. He frankly recognized and freely utilized the eternal fact—not to be altered or effaced by culture, by socio-economic legislation, or by bombastic pronunciamento—that all men are *not* born “free and equal,” that there are diversities of gifts, of talents, of opportunities, and that so long as our human society exists, these will exist with it. But He no sooner recognized this than He disclosed the office of His religion with reference to it. That was not to exaggerate or emphasize these inequalities, but to minimize them; to introduce into human society, in one word, “that great principle of brotherhood, in and through a divine Fatherhood, which should take from them their sting, and transform them, always and everywhere, into divinest opportunities for divinest service and sacrifice.”

And here, therefore, is to-day the calling of the citizen who recognizes moral obligations as the basis of all good citizenship. Over against that rising tide of passionate exaggeration, of sometimes not very scrupulous self-seeking, as incarnated in the politician, the selfish and sensational labor leader on the one hand, and on the other, the employer, the capitalist, the *en-*

## THE INDUSTRIAL SITUATION

*trepreneur*, which, by many disappointments in dealing with labor organizations has been hardened into a dull and embittered obstinacy and animosity against the whole brood of unions and agitators, they must stand who would do justly and love mercy, and work righteously for their fellow-men, as the true disciples of civic duty, first seeking to understand the large problems with which they are called to deal; and then to illustrate the principles which can alone effect their solution. "Not by might, nor by power, but by my spirit, saith the Lord," might wisely be written over the door of every bank, every factory, every labor hall, and every mine, in this land. The failure of schemes of mere coercion, whether on the one hand or the other, whether by the organizations of capital or the organizations of labor, is the ever recurring lesson of our modern life.

There is another and a better way. Be it ours to strive to learn it. And that we may help one another to do so, I shall, God willing, speak hereafter of the relations and duties of the citizen as Working Man, As Capitalist, As a Consumer, In the Corporation and in the State.

## II

### THE CITIZEN AND THE WORKING MAN

THE aim of these lectures, as I have already endeavored to make plain, is, if I may, to enlarge a little the horizon of our conception of citizenship. It is easy to limit this; and still easier, I apprehend, to *localize* it. There is, in other words, what perhaps I may venture to call a Judaic tendency in the human mind to limit our responsibilities to our own class, our own town, our own race or religion. And it ought to be the office of the university to correct this; and, in connection, *e.g.*, with such a matter as the definition of the modern responsibilities of citizenship, to indicate, if no more, those wider relations which to-day exist, and which cannot exist without bringing responsibilities with them. One of these, especially in the case of the scholar, whose tendency always is to be a little too much withdrawn from his

## THE INDUSTRIAL SITUATION

fellow-men, is the relation of the citizen to the working man. But in advancing in this discussion to the question of these relations and to the status and environment, as created by our modern social conditions, of the working man, I am not unmindful of the fact that, by many persons, the designation of any particular class by such a term is regarded as at once misleading and infelicitous. It is urged by these that, as a matter of fact, the vast proportion of the people of any state or community belong to the working classes; and that the enormous enlargement, both of the sphere and the variety of the occupations alike of men and women make it at once superficial and unjustly discriminating to speak of any particular group of persons as distinctively working men or women.

There is, of course, a certain truth in this of which I would by no means wish to lose sight. A working man or woman is one who works; and this or that person who breaks stone, or lays brick, or rolls iron, or does any other manual labor, is certainly not the only person who works. Much the largest part in its dynamic efficiency, and much the most valuable

## THE WORKING MAN

part in the ultimate productiveness of the world's work, is done by men who never wielded a pick nor drove a nail. And between the two extremes of our complex social organism,—between, in other words, the capitalist who plans, the inventor who contrives, the executive who sets in motion, on the one hand, and the mill hand or miner or trackman who toils and delves, on the other,—there is a vast army of men and women who form, perhaps, the majority in our modern social and economic structure, who are neither in the one class nor in the other of these; and yet, whose daily toil, if measured by its hours of various labor, whether of the hand or of the brain, is quite as arduous as either's.

But when this is admitted, as it certainly ought to be, the fact still remains that when we speak of work and the working man, or of labor and the laboring man, there is, ordinarily, attached to the words a meaning at once explicit and circumscribed. "Economic writers, like the world in general, do indeed recognize," says Mr. Mallock,<sup>1</sup> "in an unscientific way, that productive exertion exhibits itself under many

<sup>1</sup> "Labor and the Popular Welfare," W. H. Mallock, p. 14.

## THE INDUSTRIAL SITUATION

various forms; but their admissions and statements with regard to this point are entirely confused and stultified by the almost ludicrous persistence with which they classify all these various forms under the single heading of Labor. John Stuart Mill, for instance, says that a large part of profits are really wages of the labor of superintendence. He speaks of 'the labor of the invention of industrial processes,' 'the labor of Watt in contriving the steam-engine,' and even of 'the labor of the savant and the speculative thinker.' He employs the same word to describe the effort that invented Arkwright's spinning-frame and the commonest muscular movement of any of the mechanics who assisted with hammer or screw-driver to construct it under Arkwright's direction. He employs the same word to describe the power that perfected the electric telegraph, and the power that stretches the wires from pole to pole like clothes-lines. He confuses under one heading the functions of the employer and the employed,—of the men who lead in industry and the men who follow. He calls them all laborers, and he calls their work labor.

## THE WORKING MAN

“Now, were the question merely one of literary or philosophical propriety, this inclusive use of the word labor might be defensible; but we have nothing to do here with the niceties of such trivial criticism. We are concerned not with what a word might be made to mean, but with what practically it does mean; and if we appeal to the ordinary use of language,—not only its use by the ordinary mass of men, but its most frequent use by economic writers, also,—we shall find that the word labor has a meaning which is practically settled; and we shall find that this meaning is not an inclusive one, but exclusive. We shall find that labor means, practically, muscular labor, or, at all events, some form of exertion of which men—common men—are universally capable; and that it not only never naturally includes any other idea, but distinctly and emphatically excludes it. For instance, when Mill, in his ‘Principles of Political Economy,’ devotes one of his chapters to the future of the ‘Laboring Classes’ he instinctively uses the word as meaning manual laborers. When, as not unfrequently happens, some opulent politician says to a popular audience, ‘I, too, am a labor-

## THE INDUSTRIAL SITUATION

ing man,' he is either understood to be saying something which is only true metaphorically, or is jeered at as saying something which is not true at all. The Wattses, the Stevensons, the Wentworths, the Bessemers, the Armstrongs, the Brasseys, are, according to the formal definitions of the economists, one and all of them, laborers. But what man is there who if, in speaking of a strike, he were to say that he supported, or opposed, the claims of labor, would be understood as meaning the claims of employers and millionaires like these? It is evident that no one would understand him in such a sense; and if he used the word *labor* thus, he would be merely trifling with language. The word—for all practical purposes—has its meaning unequivocally fixed. It does not mean all human exertion; it emphatically means a part of it only. It means muscular and manual exertion, or exertion of which the ordinary man is capable, as distinct from industrial exertion of any other kind; and not only as distinct from it, but as actually opposed to and struggling with it."

Ah, yes; just there, in fact, is the tragedy of the whole business; and in that last sentence of

## THE WORKING MAN

Mr. Mallock's lies the point of his whole argument. It is in vain, in other words, that we endeavor, by amiable sophisms which, true enough once, have long ago ceased to be true to obscure to ourselves or to others that tremendous cleavage which, in our time, has come to pass between the rest of human society and those who make up what we call the working classes. In part I have already indicated the causes of that cleavage, and they are, in turn, the influences through which, alas! it has been too often widened and deepened.

In some degree, undoubtedly, they are the result of ignorance or of misapprehension. The development of industrial activities in the century that has just closed has resulted in a vast increase in the world's wealth; and, especially in our own country, in aggregations of wealth which have greatly accentuated to the working classes the enormous discrepancies between themselves and the capitalist classes. The commonest form in which this expresses itself is that "the rich are growing richer, and the poor are growing poorer," and more acute expressions of it are not greatly different from a speech which I find in an

## THE INDUSTRIAL SITUATION

organ of labor published, curiously enough, in Boston, and in which occur these words: "In a land whose bowels teem with all the varieties of natural wealth, men are naked, homeless, and starving; you who bear the burden of an extravagant, a wanton, a barbaric luxury, and yet have not wherewith to appease your hunger,—starved, imprisoned, tortured into subjection, 'Pinkertoned' to death; you who, from your miserable hovels see the palaces of your masters rising around you; who can behold their luxurious equipages, and yet must trudge on foot yourselves; you can read of their ocean greyhounds, their trips to Europe, their Newports, their Saratogas; and, deprived yourselves of air and light, with no vacations, few amusements, and less rational enjoyment, will you calmly see all this when you know that all this fabric of luxury and ease springs from your labor?"<sup>1</sup>

The gravamen of this invective consists, as you will perceive, in the implied claim that the product of labor, which belongs of right to the laborer, is, by some adroit but essentially dishonest process, diverted from his pocket, and

<sup>1</sup> "The Labor Leader," Boston, April 9, 1892.

## THE WORKING MAN

goes—the vast proportion of it—not into the laborer's wage but into the employer's profit. And this is, indeed, the claim of a whole school of social economists, of whom the late Karl Marx was the leader, and whose theories have now come to be widely accepted by working men in all parts of the civilized world. The official language of what I believe was, not long ago, the largest labor organization in this or any other country, as published under the title “*Polity of the Labor Movement*,”<sup>1</sup> is: (1) “That labor creates all wealth. (2) That all wealth belongs to those who create it.” From this it manifestly follows “that all wealth rightfully belongs to the laborer.” It is not surprising that, deceived by such sophistries as these, the working man regards his employer with distrust, and considers the present social order but little better than legalized robbery.

But the most melancholy feature in the whole situation is that such sophistries have been caught up by many earnest people who are not working men, but who have been moved, by what they believe to be the wrongs of working men, to espouse their cause. For, though it

<sup>1</sup> Vol. I, p. 4.

## THE INDUSTRIAL SITUATION

ought not to be necessary, it may be opportune, to say that all such teaching is as false as it is vicious, and to point out why it is so. Nothing could be more essentially grotesque than to say that labor, in the sense in which I have already defined it here, creates all wealth, or that it creates any considerable part of it. That which creates incomparably the largest part of wealth is not muscular force, or physical strength, or bodily energy. These might toil a thousand years, if life were stretched so long, and produce no more, even then, than the fruit of their labor at the end of their first day's or first week's work. For, forever, over against the mere day-laborer who delves, or plants, or forges with his hands, stand the inexorable wants of his daily life which daily devour what he daily produces. And therefore it is only when that which is not labor, but intelligence, foresight, ability, mental cleverness, the genius of invention, the genius of organization,—call it what you will, the name is of infinitesimal consequence,—comes in and takes this labor, and touches it with its magic wand, and bends it to its clever will, and coördinates it by its masterly intuitions, that there come the vast results, in all the countless productive mecha-

## THE WORKING MAN

nisms and motors of the modern industrial world, that have made that world the thing that it is to-day. Mr. Mallock's image of the bronze statue is, if only a little changed, the perfect picture of the whole matter. Here before us are two colossal figures which have been fused, each, in fierce fires, and wrought of costly metals, and fashioned at last into the image of a man. The workmen who gathered the fuel and kindled the fires and mined the metal have fashioned one of them, unaided and alone, as best they could. And another set of workmen have mined and fired and fashioned their image too, but with this single difference: that, beside them as they wrought, guiding, suggesting, correcting, informing them as they toiled, was Praxiteles, or Michelangelo, or Canova, or Crawford, or St. Gaudens; and, as a consequence, when the two statues stand completed, one is worth its weight in brass, and not one penny more, and the other is worth well-nigh its weight in gold. And yet by him who has given to it all this priceless worth no ore was mined, nor fire built, nor metal forged—no, not an ounce, from first to last!

But while thus we dismiss one fallacy of the modern labor movement with no more con-

## THE INDUSTRIAL SITUATION

tempt than it deserves, the graver aspects of the situation do not disappear. A recent writer on the wage question<sup>1</sup> has shown with great cleverness how large a proportion of the earnings of modern capital goes directly into the pocket of the working man; and, by way of heightening the force of his argument, has presented a series of contrasts which, if no more, are dramatic. In the fourteenth century, for instance, as Eden in his "State of the Poor" records, an inventory of the household furniture of a peasant, six years before the death of Edward I, gave this return:<sup>2</sup>

	£	s.	d.
A maize cup .....	0	0	6
A bed .....	0	1	6
A tripod .....	0	0	3
A brass pot.....	0	1	0
A brass cup.....	0	0	6
An andiron.....	0	0	3½
A brass dish .....	0	0	6
A gridiron .....	0	0	5
A rug or coverlet .....	0	0	8
<hr/>			
	0	5	7½

<sup>1</sup> G. Gunter, "Wealth and Progress."

<sup>2</sup> Eden's "State of the Poor," Vol. I, p. 22.

## THE WORKING MAN

In other words, the whole equipment of the household of a working man was in Edward I's time, ordinarily, of the value of about one dollar and thirty-seven cents. The man whose home this made earned twelve cents a week; and, lest we should suppose that his money had a much larger purchasing power than its amount implies, Hallam tells us that the diet of such an one was usually pottage, and his garment a rough hide. The history of wages is almost a literature in itself, and it would be quite impossible to follow the progress of the workman's wages in detail from the fourteenth century to the twentieth. One or two facts the enquirer will discover, of a general character, however, and we may wisely hold them in mind. For the three or four centuries that followed the thirteenth century, which we may take as sufficiently illustrating the status of the mediæval laborer, the standard of wages changed surprisingly little. It rose slightly sometimes, but, again, it fell; and though there was a slight advance as wealth grew and the demands of a higher civilization increased, it has been reserved for our own generation to witness the most remarkable growth in the gains of the

## THE INDUSTRIAL SITUATION

wage-earner to be found in all his history. In a paper read before Section F at a recent meeting of the British Association,<sup>1</sup> "Mr. A. L. Bowley compared the rates of increase of wages in the United States and in Great Britain between 1860 and 1891. The conclusion at which he arrived was as follows: 'In both countries real wages rose some 20 per cent. between 1860 and the maximum period of 1871-74; money wages rose 50 per cent. in the United States and between 30 and 40 per cent. in the United Kingdom in the same period. The rise in real wages was checked in 1879-80 in the United States, but continued with little interruption in England; money wages fell to a minimum in 1879-80 in both countries. After 1880, money wages rose continuously (with a check in 1886) till 1891, and real wages rose more rapidly in both countries. . . . In both countries money wages were at much the same level in 1873 and 1891, this level being relatively higher in the United States than in Great Britain. In both countries real wages were higher in 1891 than in 1873; and, when purchasing power is thus taken into considera-

<sup>1</sup> September 12, 1895.

## THE WORKING MAN

tion, the increase in the whole period is found to be greater in Great Britain. The relative height attained cannot be estimated exactly, but the figures lead to the conclusion that between the years 1860 and 1891 real wages increased in the United States about 60 per cent. and more than 70 per cent. in the United Kingdom.''"<sup>1</sup>

But what, it may be asked, has all this to do with the cry of the working man that capital is getting more than its fair share of the products of industry? Just this: that during the period which I have indicated, a widow having a railway bond for \$5000 from which, twenty years ago, she received \$350 per annum (and remember that this widow, though this \$5000 bond may easily be her all,—the single plank that she has between her and absolute want,—is still one of the hated capitalistic class—a class, let me observe by the way, far more numerous, more wide-spread, and more dependent than we are apt to suppose; a class standing often for those whom, where want pinches, it pinches worst, for such an one has been educated to have many needs which to the working

<sup>1</sup> Quoted in "The Labor Problem," Drage, p. 33.

## THE INDUSTRIAL SITUATION

man are the merest affectations),—consider, I say, that this widow who, twenty years ago, received \$350 per annum from her little capital, is lucky now if she gets \$250 from it, and oftener still gets only \$200 per annum.

In other words, and that is the point toward which I am moving, the last quarter of a century—to speak in general terms—has brought to the working man an increase in his earnings of from 60 to 70 per cent., while the same period has cost the capitalist the loss of from 20 to 30 per cent. upon his.

“Ah, yes,” replies the working man, “all this may be true enough; but it does not, after all, alter in any considerable degree the essential equities of the case. Capital as such earns less than heretofore, but why? Simply because there is so much of it. In one sense it is like anything else, a commodity, and commodities are cheap because they are plenty. The borrower no longer needs to pay the capitalist 7 per cent. for his money, for the simple reason that there is so much capital that the possessors are glad to loan it on good security for 4, or even  $3\frac{1}{2}$  per cent. But who created the capital? How could it have come into existence without

## THE WORKING MAN

the working man, and why is it that, having so largely created it, he so slightly benefits from its increase?"

The question recalls a spectacle which one may see in Burma, in the ship-yards at Rangoon. There, on any morning all round the year, the traveller may observe a process whose interest is even greater in its suggestiveness than in its unwontedness. As you enter the ship-yard, your eye is caught by three or four huge and unwieldy figures which, to your amazement, are, as you discover, engaged in loading, unloading, or stacking timbers. The figures are those of elephants that, with a painstaking, a method, a precision, and a patience that seem almost more than human, are seizing huge logs of oak, or mahogany, or teak wood with their trunks, balancing them carefully as they lift them from the ship's deck that lies beside the wharf, carrying them through the winding pathways toward their destination, and when that destination is reached, lifting them, each one, to its place upon the great stack in the ship-yard, and as it rests there, gently pushing each timber with knee or trunk until it rests in its precise position, as nicely and

## THE INDUSTRIAL SITUATION

exactly aligned as though the task had been performed with rule and square and guided by a human hand. "Wonderful creature!" you exclaim. "What a rare order of intelligence is here, and how sure and unerring the faculties that can accomplish such a work in such a way!" But, as you look a little closer, you note that, seated upon the neck of the huge animal is a slight figure, often seemingly a mere lad, with a slender wand in his hand, which, however, he rarely raises, and with which you never see him strike a blow. You watch him, however, still more closely, and you note the intermittent pressure of his heel upon the neck of the animal that he rides,—and that is all! But, indeed, just there is the secret of the whole business. The brute obeys the man. The clever intelligence and gentle touch of the Burmese rider's heel guides, directs, restrains, constrains, energizes, the enormous living bulk beneath him, and converts it from a destroying monster into a faithful and untiring servant.

The parable in these modern days is of universal application. In a thousand ways, modern genius contrives, constructs, organizes, and correlates mechanisms and forces which some-

## THE WORKING MAN

how pass into the common possession of the great mass of the people; often in such ways that they come to disassociate them wholly from their creators, and to think that the mill, the engine, the machine, and the man who fires and follows it are the creators of our modern civilization. They are among the creators of that civilization, but, from first to last, they are dependent for its effective fruitage upon some other wholly outside of either.

It is undoubtedly true that while there are still large numbers of working men who persist in denying this, and who therefore persist in urging the unwarrantable claims to which I have referred, there are others who do nothing of the sort. They are intelligent enough to see that industry could win no victories without the captains of industry; that machinery could maintain no place of consistent achievement in the world, if there were not men who not merely contrived it but improved upon it, and whose marvellous powers of contrivance marched side by side—nay, often far in advance—of the marvellous tasks to which industrial forces have been summoned in our day. Such working men recognize and concede to

## THE INDUSTRIAL SITUATION

the inventor, the capitalist, the clever executive, the master-builder or master-machinist, each his place of rightfully greater honor and emolument for greater service rendered. But while he does so, the working man insists that, notwithstanding all that can be urged as to the rise of wages in recent years, especially in our own country, the *conditions* under which the working man labors make his position increasingly unsatisfactory and precarious.

And in a very real sense he is right. I have already, as you will remember, and in another connection, referred to one reason for this; for insisting upon the hardship of which, a few years ago, on some public occasion, in a neighboring city, I was very roundly abused, but as to the essential cruelty of which I shall still take leave to say there can be no smallest doubt. I refer to the results to the working man of industrial specialization. We are moving along that line, in these times, with increasing ardor and unanimity in almost every connection. Fifty years ago an ordinary household had its family physician, who, whether one's ailment was of the heart or of the liver, was summoned with equal confidence and usually,

## THE WORKING MAN

on the whole, with equal advantage. But to-day I must wait upon one learned gentleman for an affection of my throat, and another for that of my heart, and another for disorders of my nerves. It would not be becoming a layman to speculate upon the effect of this narrowing of his range upon the medical man himself, but there can be no slightest question as to its effect, in the industrial world, upon the working man. I shall not speak now of its intolerable irksomeness, dreariness, its benumbing and stupefying influence, for I have already elsewhere referred to these; but it is most important that we should recognize those disabling effects which must inevitably have so considerable and disastrous an influence upon the working man's efficiency, his productiveness or economic utility as a wage-earner in any other than one particular mill, at one particular task, with one particular tool. In any other mill, at any other task, with any other tool, this man is *worthless*,—and this is what the great march of industrial progress, over which we are all wont to rejoice, has done for him!

Do you wonder now at one result of such a situation, with which of late we have been much

## THE INDUSTRIAL SITUATION

concerned, and which, if you and I and Christian people generally are to serve the cause of the working man, it behooves us to understand,—I mean the trades-union? We are as yet too near it to realize the meaning of that tremendous change which has come to the working man during the century that has just ended. “For ages the rule had been that the working man himself owned his own machine as well as the raw materials of his own industry.” But even before the dawn of that great industrial revolution produced by modern machinery hitched to steam, electricity, and the like, there had begun that departure from this earlier and simpler state of things which introduced the merchant who dealt in raw material and the mill-owner who manufactured it. And out of this beginning of change it came to pass that the working man was separated farther and farther from his life of earlier independence, and reduced more and more, himself, to the condition of a mere machine. Until you and I have stood where he has stood, until those who are not working men and women can realize the grim despair that stares them in the face as they are held in the grip of some huge

## THE WORKING MAN

mechanism of capital and machinery, until we can understand what it is to work, or to stand idle, not as the impulse to labor or the needs of our families demand, but as the whim of the employer or the condition of the market, bare to-day and glutted to-morrow, shall decide, we are in no condition adequately to appreciate that stern necessity out of which the trades-union has grown. I presume I should express not inaccurately the mental attitude of great multitudes of people in regard to these organizations if I said that they regard them with disfavor, and watch their growth and influence with dread. A greater blunder in estimating them could not well be made! They have, indeed, more than once earned the distrust of the community at large, and have deserved it. Here and there they have lent themselves to acts of violence for which there was no sufficient justification, and, worst of all, have broken explicit pledges with swift indifference and with scanty scruple. But when we judge them in connection with such acts, we must remember that they, too, have known what it was to have agreements disregarded or pledges cleverly evaded; and in all our criticisms of

## THE INDUSTRIAL SITUATION

them we shall do well to recognize the fact that, in the final analysis of the principles of their organization, they stand for all that society itself as an organized entity stands for,—the free consent of the governed. “As a matter of fact,” as Mr. Geoffrey Drage has admirably put it, “the value of the trades-union movement is to be estimated not so much by the extent to which it has raised the rate of wages or reduced the hours of labor, as by its educational influence as a preparation for the responsibilities of self-government. The greatness of the friendly-society movement must be measured not more by the material aid which it has afforded to the working man in time of need, than by the stimulus which it has given to the moral qualities of thrift and independence. The worth of the coöperative movement does not depend only on its ability to increase the capacity of the workmen’s earnings, but also on the insight which it has afforded them into the complexities of business life. The education which these voluntary associations have provided for the working man has given a new purpose to his life. . . . ‘Still more than all this,’ Dr. Baernreither, a

## THE WORKING MAN

foreign observer, states, 'the workman who has established and who directs these associations has ceased to be an inactive spectator of the state and of society. His life has received a new purpose and character. . . . His understanding and his insight in economic matters are increasing; he is learning by his experience to recognize the difficulties which oppose themselves to the carrying out of social institutions; he is becoming more moderate in his claims, calmer in judgment, and more contented with success. On the other hand, he is losing nothing of that pertinacity in the pursuit of his ends which has always been his distinctive characteristic. Step by step, by his meetings, journals, and congresses, he is attracting the general interest of the public, acquiring an influence in local (and even national) bodies, and becoming a more active, independent, and powerful factor in state life. But the main thing is that the world of thought is filled with things clearly practicable and attainable, and that no Utopias find place in it.''"<sup>1</sup>

This is the judgment, concerning the labor

<sup>1</sup> "English Associations of Working Men," by Dr. Baernreither.

## THE INDUSTRIAL SITUATION

and kindred organizations of the Anglo-Saxon working man, of a foreigner of wide observation and philosophic insight. I am not prepared to say that we can, here, accept it *au pied de la lettre*; but, in substance, it is unquestionably the statement of a great truth in regard to trades-unions which those who are outside of them will be wise unreservedly to recognize. A leading element of menace in such organizations consists in the fact, for which we, not they who are of them, are responsible, that we have cared so little to understand them; that we have striven so little to sympathize with them; and that, worst of all, our personal attitude toward them has been so remote and frigid, if not distinctly hostile. It has been my great privilege—I account it one of the chiefest of my life—to come into frequent and intimate contact with men who represented trades-unions in great variety, which were inclusive of individuals who ranged, in their culture and attainments, all the way from the humblest day-laborer to the most skilled craftsman, artisan, and all but artist; and I have found, in all of them, qualities in which, far more than in any written covenants with their employers,

## THE WORKING MAN

lie the highest hopes of the future. We are apt too often to derive our impressions of the mental attitudes of other people from words or acts which are the result of extreme provocation; and to forget that these no more represent another's normal and usual mental attitude than the temperature of his blood under such conditions represents his normal physical condition; but for myself, at any rate, I am constrained to say that the susceptibility of a working man of fair intelligence to dispassionate reasoning, and his readiness to be influenced by the force of it, are quite as great as I have ordinarily found in employers or others of their class, though the latter were often persons of much higher culture.

Such a fact has a far higher significance than at first appears; for it opens the door to those wider considerations without a reference to which such a discussion as this would be largely in vain. No view, that is to say, of the working man and of the duty to him of Christian men who do not hold a place themselves in the ranks, as I have defined them, of working men, can be of any substantial value which does not recognize that the higher future of the work-

## THE INDUSTRIAL SITUATION

ing man must largely depend, finally, upon himself. And upon this I would insist, though I do not forget that there have been various specifics for remedying the injustices or the inequalities of his present condition, on which from time to time social economists have built large hopes, and which I may not here leave unnoticed.

One of these has been what is known as industrial coöperation, the principle of which is that the workman, over and above a fixed wage, shall receive a percentage of the profits made in the business of his employer, and find in such percentage not only a more adequate reward for his services but a stimulus to greater zeal and fidelity in his work. The scheme was born of a beautiful ideal, and it has had, at least in France, a limited measure of success. But while it has appealed both to the just interests and the worthy ambitions of working men, it has not, on the whole, found as yet in them the qualities that insure its success. A Welsh colliery company entered, a few years ago, into a permanent contract with its workmen, whereby the latter were to receive, in addition to the current rate of wages, one half of the profits above 10 per cent. for the redemption

## THE WORKING MAN

of capital invested. As long as there were profits, and the rate of wages presented no difficulty, this answered well enough; but when the tide turned and there were no profits, but only loss unless wages were reduced, the situation was wholly altered, at any rate in the estimate of the workmen, and the compact was broken up, on the demand of the men themselves, who said they should prefer to be simply members of the "Miners' Union."<sup>1</sup>

The difficulty in such cases, and indeed in all cases of a like class, arises out of a twofold feature in them, the presence of which is all but inevitable. In the first place, the working man, as a partner, is without capital, and has therefore no resources with which to stand continued losses; and, in the second place, it often happens that he is too imperfectly educated as a business man to bring to the coöperative enterprise, of whatever sort it may happen to be, anything else than an unintelligent and too often obstructive criticism.

The same objections lie, to a certain extent, against another method for the organization of modern industry, which has in it, however,

<sup>1</sup> See article Co-operation, in the Encyclopædia Britannica.

## THE INDUSTRIAL SITUATION

much larger elements of promise, and which has achieved, already, a much larger measure of success. I mean that known as profit-sharing. Under this scheme the working man has a direct interest in the success of that in which he is engaged, over and above his wage, and receives a certain percentage, fixed beforehand, or graduated, from time to time, according to the success of the business. In France, and also in this country, there have been instances in which this plan has been worked with considerable profit and with mutual satisfaction: but the element of weakness in it lies in the inevitable control of the business by others than the workman. If the proprietor of a mill mismanages his business, according to my judgment, but yet pays me my stipulated wage, his mismanagement is largely a matter of indifference to me. But if he mismanages his business, as I judge his management, while under an agreement to pay me not only a wage but a percentage of his profits, then at once his mismanagement, as I account it, becomes for me a very serious and personal matter. And yet I may not interfere, and am powerless to alter or arrest a policy which, to me, appears foolish and fatal.

## THE WORKING MAN

I would not be understood, in saying this much, as undervaluing the two really great movements, as I think they deserve to be accounted, of coöperative industry and profit-sharing; for they have, as their highest significance, a real note of sensitiveness as to what is due to the working man in connection with our industrial progress, and are, from this point of view, of large inspiration. Undoubtedly, as Mackenzie has said, “There is evidence that the sense of personal obligation as involved in business is becoming largely extended. Masters, here and there, are beginning to realize that their position as captains of industry has a moral as well as an economic aspect”; but it must still be owned that in such methods as these the labor problem has not as yet found its sufficient solution.

For myself, however, I believe that these experiments, tentative and often unsuccessful as they have been, nevertheless point the way toward that solution, though it will not, it should be distinctly said, be found by proceeding indefinitely along a line the direction of which, as some of our most ardent social reformers maintain, the experiments of coöperation and profit-sharing indicate. This, as you

## THE INDUSTRIAL SITUATION

will have anticipated me in saying, is a direction which ends in what just now is known as *collectivism*. Collectivism is that theory or system of industrial organization under which all private property is taken over by the state and run for the public benefit,—or, rather, to be more precise, for the equal benefit of each individual in the whole community. The apparent advantages of such a system are very obvious, and, to the imagination of an over-worked man or woman, very attractive. In the first place, it would, if successful in its operations, remove from life the mere struggle for existence. Each one would be sure of his share of the whole earnings of the public industries, paid at fixed times, and at an absolutely equal rate. In the second place, the enormous disparities between wealth and poverty would, at one stroke, disappear; and the tyrannies of the one and the degrading temptations of the other would no longer be possible. And finally, under a system so thoroughly de-individualized as this, the rivalries and competitions that so largely embitter life would vanish; and peace and order, beauty and sunshine, would reign throughout the world.

## THE WORKING MAN

It is a fair and fascinating picture; but, before attempting to realize it—as undoubtedly working men, in whose hands are the ballots which are the final arbiters in any national policy under our form of government, could at least begin to do by decreeing that economic revolution which must precede it—before, I say, attempting to realize it, it will be well for working men to look candidly in the face those ethical and economic conditions which underlie the whole subject.

Let us imagine, then, for a moment, that the whole industrial capital of the United States, both corporate and individual, whether in money or machinery, has been taken over by the state, and is to be administered by it or its representatives for the benefit of the whole people. The first questions, obviously, which would arise are, Who are to administer it? and, How are they to be selected? and, How are they to be compensated? To which the answer would be, I presume, that this administration is to be by persons chosen by the authority of the officers of the state for that purpose. But here at once, you will see, you have violated your fundamental principle of absolute equal-

## THE INDUSTRIAL SITUATION

ity, since, if one man is to sit in an office in a clean linen shirt (if he can afford one), and issue orders to another man who is sweltering in a rolling mill, naked to the waist and dripping with perspiration, they certainly are not in possession of equal conditions or equal privileges. And if you say that this can be remedied by making the manager of to-day the hand laborer of to-morrow, and by conducting the works upon some such large system of daily alternatives, then you are confronted with difficulties in, *e.g.*, the disproportion of workmen to managers, which, in that direction, indicate very plainly that we have come to a hopeless *impasse*.

But again: Suppose that, for the sake of the system, we have in such a case made an exception, let us pass on to another. The industries of the nation having now passed into the hands of the state, what are the prospects of the state itself? A crying evil in the present industrial system, it is maintained by those who would abolish it, consists in the fluctuations of labor, good times and bad times, mills running when it will pay, and idle when it will not; and state control of industries would, we

## THE WORKING MAN

are told, correct all this by providing steady and unbroken employment for all men at all times. Again, I say, a beautiful and fascinating theory, but one which altogether leaves out of account those various influences, wholly beyond the control of the state, which are represented by failure of crops, fluctuations in trade, commercial rivalries of other nations, war, famine, pestilence, and a whole group of other influences which are as wholly outside the control of the state as are the motion of the heavenly bodies.

And then, finally, as we have had most painful evidence, especially in our great centres of population, the erection of the state or communal authorities, of whatever name, into an employer introduces possibilities of corruption which the most humiliating experience has taught us to be almost inseparable from such a system. In times of commercial, financial, or agricultural depression even the state cannot provide work for every man; and, when it can, the different kinds of work, some of it light and easy, but more of it, as it easily may be, exhausting and repulsive, afford a temptation for corrupting the official employer of labor

## THE INDUSTRIAL SITUATION

by bribe for "soft places," which, as the employer has no personal interest in the thoroughness or excellence of the work, he has no slightest motive of self-interest for refusing, and every sordid motive for accepting.

I need not pursue these illustrations further. They point alike, with equal clearness, to the conclusion that the collectivist theory is a theory that will serve the well-being of the working man as little as that of his employer. "Monopoly," it has been pithily said, "extinguishes the evils of competition, but with them its benefits"; and of no other monopoly is this so true as of that of the state. "There is," as Mr. Drage has pointed out, "no kind of work which can long stand the loss of the spur of competition. There is scarcely an industry which does not depend from one day to another upon competition for life and progress. In a few the stages of rest may be of some duration, but the general tendency of all is to recast the methods of production, more or less radically, from year to year. A varied demand and vigorous competitive offer can alone create and maintain this wholesome state of progress which, in a purely industrial community, strug-

## THE WORKING MAN

gling with rivals in all quarters of the globe, is the sole condition of existence. Public and municipal production means the reduction and extinction of all the conditions that make for competition," and, worse than this, tends inevitably to the corruption and enervation of those whom such a system employs. "Such tendencies," it has justly been demanded, "must be faced and met by those who advocate the extension of the sphere of employment by public authorities. Up to the present, history has shown the 'virtue, energy, and self-interest of each individual' to be the greatest motive power in human affairs. . . ." The advocates of an extension of public employment ignore or underestimate facts of this kind; urging that past history affords no test as to the results of an extended democratic bureaucracy. Their belief, however, is at present entirely a matter of faith. "It seems to me," says Lord Farrar, one of the ablest and most dispassionate authorities upon this whole question, "that while the old economy was a science or attempted science which tried to investigate facts, the present socialistic economy is a speech." . . . "My feeling about it," he adds,

## THE INDUSTRIAL SITUATION

“is that, while we may sympathize entirely with its objects, we often find it at fault in not recognizing the facts of the world, and therefore assuming that it can disregard the limitations which arise from the facts.”<sup>1</sup>

But if, let me now ask in conclusion, in no one of these directions we may look for the panacea for those problems of the working man which I have thus far discussed, whither must we turn?

The answer to that question is to be found, I believe, rather in a new purpose and a new point of view, than in any particular methods. The fundamental defect in our modern situation, so far as the working man is concerned, is that we have not understood him, nor cared to. When the time shall come that the employer and the capitalist shall realize that their interests and his are not two, but one, then we shall at least have taken the first step toward the solution of these issues which now threaten, as it seems sometimes, to disrupt the social structure itself. Something to this end can be done by legislation, though not so much nor so effectually as is ordinarily supposed. Some-

<sup>1</sup> See “The Labor Problem,” Drage, pp. 301-302.

## THE WORKING MAN

thing more can be done by the recovery for the many of privileges and perquisites which are now within the reach only of the few; but most of all can be accomplished by mutual understanding on the part of different classes, and then by mutual confidence and respect. Almost the worst enemy to the progress of human society is the spirit of caste; and the tragic element in the constitution of our modern social structure is that, under forms of government that profess long ago to have renounced and abandoned it, it still rears its head in forms more insolent and more mischievous than any that in any age of human history it has assumed. For while we may be patient with the caste spirit when it survives as the product, in earlier ages, of marked tribal distinctions, or, in later ages, as the inheritance of a long line of feudal tradition or distinguished ancestry, it becomes, when we see it, as too often we see it to-day, the mere incarnation of material possessions in huge bulk and adroit association, a menace alike to the rights of the weak and the freedom of the poor. And so we need not only to be afraid of it, but to be concerned for it. A caste of capitalists, separated by practically im-

## THE INDUSTRIAL SITUATION

passable barriers from a caste of workers, means social anarchy and industrial war; and the only remedy for a situation so grave is in that unresting and self-sacrificing activity on the part of those who are outside of the working men's caste which shall first break into and then dissolve it by a temper and a service that shall transform hostile interests into common interests, and narrow and mean ambitions into higher and nobler aspirations. "For this purpose," as Mr. John Beattie Crozier has admirably put it, "we must multiply all the aids and outlooks necessary to the differentiation and classification of men, instead of leaving them lumped together as mere 'working men'; and to this end the land must be more broken up for the purchase of plots both in town and country; cheap dwelling houses must be erected; . . . schools of technique and design, and of everything connected with industry, without limit or stint, so that everything which will help to push the clever workman a stage farther may be at hand to assist him: and especially every security that can be devised for protecting him in and enabling him to get the full value of his inventions. In this way, with

## THE WORKING MAN

this indispensable minimum as a start, followed up and aided by all the apparatus with which rising talent has to work, as well as by all collateral incentives in the shape of property-owning, profit-sharing, and the like: with these all graded up to the topmost step, and the workmen pressing forward across the gulf separating them from capital to ascend the ladder of capital itself, Capital and Labor, instead of confronting each other as solid masses in opposing camps, would be broken up into infinite grades and subdivisions with no unbridgable gaps anywhere between, and, like an army where each private carries a possible commission in his pocket, there would be no longer capitalists and workmen, but only *Men* at different stages on the rungs of the industrial ladder, a ladder which includes both capitalists and laborers, and is without breach of continuity from bottom to top. With all this, . . . and with each rung of the ladder charged with new possibilities, so that each step gained is a help to the one above it, men start fairly equipped for the battle of life; while intellect and character, united in their various aspects, being the chief means of advancement, must

## THE INDUSTRIAL SITUATION

end by becoming the twin ideals of the nation.”<sup>1</sup>

A noble ideal, surely! May it be theirs whose office it is, in their relations alike with the humblest and the highest, as scholars and as citizens, to illustrate their Master’s spirit, to seek thus to transform with it the life of the working man!

<sup>1</sup> “History of Intellectual Development,” etc.,  
Crozier, pp. 141-142.

### III

#### THE CITIZEN AND THE CAPITALIST

THE topic of which I am to speak in this lecture, suggests, as indeed must more than once have occurred to you, the unavoidably cursory character of any such discussion as the limits of these lectures permit. In speaking, as I am now to do, of the citizen and the capitalist, it would be difficult to exclude, if we were to attempt to do so, any one of the great issues that belong to modern civics. Within the area thus defined lie all the graver questions that touch our social order and life; and an adequate and complete discussion of them, as any one will realize who has attempted to familiarize himself with the sociological writers of our own generation alone, would be a literature in itself. For, hardly anywhere, as a very little reading of it will demonstrate, are there points of view so

## THE INDUSTRIAL SITUATION

remote, and lines of argument so divergent, from one another.

It will be understood, therefore, I think, that what is now attempted is suggestive rather than exhaustive; introductory rather than final; a stimulus, if one may venture to hope that these words may fulfil so useful a purpose, toward further inquiry, rather than anything so large and difficult as its final answer. The need of this moment—and I shall, for myself, be content if I can be able, though only in some partial measure, to supply it—is to arouse earnest and thoughtful minds to inquiry, and to awaken in those whose calling it is, and will be more and more, to be guides and helpers of their fellow-men in the dark places of life, the aspiration to be at least in some measure competent to a task so noble. To be privileged to teach a mind perplexed, embittered, exasperated by the hard and, as it often seems to him, heartless conditions of our modern industrial life, first, to recognize the causes which have produced those conditions; and then, so far as they are remediable conditions, how best we may, all together, teacher and pupil, master and servant, workman and foreman, contractor,

## THE CITIZEN AND THE CAPITALIST

capitalist and consumer, labor for their solution,—this, I cannot but think, is one of the worthiest tasks to which man, in the service of his brother man, can address himself.

You will understand, therefore, why, for the subjects of these lectures, I have selected those which, including that introductory to this course, I announced to you. There are other themes, doubtless, which might be regarded as having equal if not greater claim upon our earlier attention. But those which I have designated for our consideration have at least this distinctive merit,—they are both typical and comprehensive. They stand, severally, for those largest classes into which, after all, though they may not be precisely included in any one of them, all the members of civilized society, as they approximate, severally, to the one or the other, fall. Largely speaking, they represent our modern humanity, and they designate it.

This will be recognized the more clearly, I think, if I proceed at once to the consideration of the subject of this lecture, “The Capitalist.”

“What is a capitalist?” asks a young in-

## THE INDUSTRIAL SITUATION

quirer, as he stands upon the deck of an ocean steamer in the South Atlantic, and gazes, somewhat listlessly, toward the nearest land in sight, which land, at the moment, happens to be the coast of Patagonia.

“Take this glass,” answers his companion, handing him a powerful binocular, “and look closely at yonder promontory, and you will find your answer.”

His questioner directs his glass toward the coast-line indicated, looks steadily, and after a moment answers, “I see nothing.”

“Nothing?”

“Nothing except—stop a moment! I see two figures, one of them a naked savage gesticulating with considerable violence, and the other, another savage wearing a breech-cloth in which arrows are stuck, and carrying a bow. He raises one hand, from time to time, in a deprecatory or defensive gesture. But what of it?”

“What of it, my dear friend? Can you not read that dialogue in the sign-language as clearly as though you heard the voices of yonder bushmen? You ask what is a capitalist, and yonder is your answer. The gentleman

## THE CITIZEN AND THE CAPITALIST

with the bow and the arrows and the breech-cloth is a capitalist, and the other gentleman—is not.”

So far as I am aware, the definition of the foremost authorities in social or political economy does not substantially differ from this. Mr. John Stuart Mill, as perhaps you will remember, and other economists with him, when seeking a graphic expression of the source and service of capital, have called it “abstinence.” In other words, one man consumes what he finds or traps (returning to the most primitive conditions of life), and another abstains to a greater or less degree from consuming, and exchanges what he has thus saved for food, a weapon, a tool, a fellow-man’s service, or what you will; and then, when he has thus acquired what another has wrought or found or captured, he becomes, whether it be bows and arrows and breech-cloths, or metals and machinery or manufactures, or their products in kind or in money, that he possesses, a capitalist. “The flint arrow-heads, the stone and bronze utensils of fossiliferous origin, and the rude implements of agriculture, war, and navigation of which we read in Homer, were

## THE INDUSTRIAL SITUATION

the forerunners of that rich and wonderful display of tools, machines, engines, furnaces, and countless ingenious and costly appliances which represent so large a portion of the capital of civilized countries, and without the pre-existing capital could not have been developed.” No progress can be made in any sphere, large or small, without reserved funds, possessed by a few or more persons, in small or large amounts, and “therefore capital is not a prerogative or monopoly of any class, but,” as Professor Cairnes, in his “Some Leading Principles of Political Economy,”<sup>1</sup> has shown, “embraces, both in its actual form and its future possibilities, all classes of men from the laborer to the millionaire.” Still further, in the formula of M. Bastiat as given in his “Harmonies of Political Economy,” VII, “In proportion to the increase of capital, the *absolute* share of the total product falling to the capitalist is augmented, and his relative share is diminished; while, on the contrary, the laborer’s share is increased both absolutely and relatively. And, finally, capital and the capitalist, so far from being the antagonists,

<sup>1</sup> Part II, Chapter 3.

## THE CITIZEN AND THE CAPITALIST

are the allies of labor and the laborer, the indispensable means of all extended employment and reward of labor, as well as of all increase of population and civilized well-being.”<sup>1</sup>

I do not need, however, to tell any one who hears me that any such definitions, whether of capital or the capitalist, as these, are held, by a considerable number of people to-day, to be alike false and misleading. They do not believe that capital has been the due reward whether of abstinence or of ability. They do not believe that there are other rights in a machine, though one man may have invented it and another worked it, than those of the man that works it. They disown any doctrine that maintains that there is any other capital than labor, and affirm that the whole product of labor belongs to the laborer, and none of it to him who furnished him with his task, the material in which he delves, or the tools with which he toils. “This then,” says an author of the “Fabian Essays,” the manifesto of the English socialists, “is the economic analysis which convicts private property of being un-

<sup>1</sup> Cairnes, *vide supra*.

## THE INDUSTRIAL SITUATION

just, even from the beginning, and utterly impossible as a final solution of even the individualistic aspect of the problem of adjusting the share of the worker, in the distribution of wealth, to the labor incurred by him in its production. All attempts yet made to construct true societies upon it have failed; the nearest things to societies so achieved have been civilizations, which have rotted into centres of vice and luxury, and eventually have been swept away by uncivilized races. That our own civilization is already in an advanced stage of rottenness may be taken as statistically proved. That further decay instead of improvement must ensue if the institution of private property be maintained is economically certain.”

That there are not alone reckless, unscrupulous, and lawless men who believe this, and are ready, if they dared, to act upon their belief; but others, also, who view our present social problems with alarm, and look for their solution in the abolition of capital and the capitalist, there can be no doubt. They point with warning finger to the enormous growth of private fortunes and to the colossal expan-

## THE CITIZEN AND THE CAPITALIST

sion of corporate wealth. In both these they see a menace to our liberties, and an enemy to our virtue; and some of them are almost as ready as the most fanatical anarchist in the land to lift the hand that would destroy them.

For one, I would not minimize the dangers which they discern, or deny the tendencies which they distrust. Aggregations of force have always in them the element of peril, whatever their nature or purpose. The storage of many billions of tons of water just above this beautiful city of yours, because you had reason to apprehend that the cutting off of the forests in the interior of your State would dry up the sources that now supply your great river, might be a wise and far-seeing precaution. But it could not be denied that it would create a distinct and menacing peril. Masonry ever so massive and costly will yield at length, unless vigilantly watched and cared for; and so of other safeguards which, from the very nature of things, must needs be chiefly moral, which we oppose to the unscrupulous aggressions of vast aggregations of capital. The buying of legislatures, the corruption of judges, the stealthy enervation, first of the forces that

## THE INDUSTRIAL SITUATION

answer to our physical, and then to our moral police, by systems of organized bribery and profit-sharing in connection with the most infamous forms of vice and crime,—these are instances, tragic, and, alas! as familiar as they are tragic, of what corporate wealth may do whether in the form of capitalized shares or capitalized cleverness. And just in proportion as a people as a whole becomes insensible to such perils as these, which may so easily threaten it through vast aggregations of capital capable of buying its way through senates as well as legislatures, does the danger grow more grave. That we are not more keenly sensitive to it; that we do not recognize, however skilfully draped, the forms in which it menaces us; that we are so often apparently so unconscious of its effects upon our own manners, habits, ideals, indulgences, aims, and aspirations, is, in one view of it, one of the most pathetic notes in our present situation. To live in an atmosphere of miasmatic poison, and not know that we are inhaling its deadly vapors; to have our highest standards of simplicity and frugality steadily enervated by an environment of luxury and self-indulgence; to behold our youth

## THE CITIZEN AND THE CAPITALIST

of both sexes becoming daily more exacting in their requirements in these directions, and more discontented if they are denied them; to trace in men's homes and women's dress the tokens of a wanton prodigality of expenditure as essentially licentious as it is vulgar; and to have all this heralded, week after week, month in and month out, by a still more vulgar press, whose tawdry and meretricious illustrations will be the horror, I hope, of future generations as they disinter them from the rubbish heaps of their past,—all this, verily, is dreary and disheartening enough. But make no mistake about it, it is neither the fault nor the fruit of the existence whether of the capitalist or of capital.

And to see this it is only necessary to turn our attention for a moment to the substitutes for our present condition of things which are proposed. Capital has various forms: it may be money, or machinery, or land, or bonds and stocks. A favorite theory for the solution of our great disparities and our often injustices, as by some they are believed to be, to the laborer as distinguished from the capitalist, is the annihilation of the private ownership, *e.g.*,

## THE INDUSTRIAL SITUATION

of land, and so it has been proposed to abolish this private ownership, and to divide up the land among all the people. I shall not concern myself, now, with the equity of such a procedure, but simply with its results. Let us take as an example the country in which, coincidentally with a relatively dense population and narrow boundaries, there have been supposed to be the largest areas of unimproved or unoccupied land held by a few wealthy owners,—I mean Great Britain. “In the minds of most of our extreme reformers,” says Mr. W. H. Mallock in his “Labour and the Popular Welfare,”<sup>1</sup> “the income of the landlords figures as something limitless; and the landlords themselves as the representatives of all luxury. It is not difficult to account for this. To any one who studies the aspect of any of our rural landscapes, with a mind at all occupied with the problem of the redistribution of wealth, the things that will strike his eye most, and remain uppermost in his mind, are the houses and parks and woods belonging to the large landlords. Small houses and cottages, though he might see a hundred of them in a three-mile

<sup>1</sup> Pp. 41-42.

## THE CITIZEN AND THE CAPITALIST

drive, he would hardly notice; but if, in going from York to London, he caught glimpses of twelve large castles, he would think that the whole of the Great Northern Railway was lined with them. And from impressions derived thus two beliefs have arisen,—first that the word ‘landlord’ is synonymous with ‘large landlord’; and secondly, that large landlords own most of the wealth of the kingdom.” Well, what are the facts? “If we take the entire rental—of the whole country—derived from land and compare it with the profits derived from trade and (invested) capital, we shall find that, so far as mere money is concerned, the land offers the most insignificant instead of the most important question that could engage us, and is, every year, in diametrical contradiction to the theories of Mr. Henry George, becoming more unimportant, as was some time ago pointed out by Professor Leone Levi, so that if all of it were divided in equal proportions to each adult in the whole nation, it would give each man about two pence a day, and each woman about three halfpence.”

“Ah, yes,” I hear some one say, “but we are not concerned about wealth and the accu-

## THE INDUSTRIAL SITUATION

mulations of capital in other countries, but in our own. Granted for the moment that if it were possible to capitalize all the improved acres in our own land, it would yield no more than you have named, what will you say of those other enormous accumulations of wealth which are represented by mills and mines and factories, by railways and steamships and machinery, and by all the multiplied mechanisms of whose enormous profits we are from time to time hearing such amazing reports?" Well, my brother, I should say, in the first place, that in nine out of ten of these cases it would be well to verify these reports, and that then, whenever you have been able to do that, it would be well, still further, to recognize the fact that the popular impression that the vast majority of this wealth is held by comparatively a few persons is simply a grotesque delusion. To take a single instance which will answer for the whole, a careful statistician has lately shown <sup>1</sup> that the wage-earning classes, or those whose means do not exceed five hundred dollars per annum, own eight times as much of the wealth of the country as the multi-mil-

<sup>1</sup> "The Laborer and the Capitalist," Willey, p. 262.

## THE CITIZEN AND THE CAPITALIST

lionaires, fourteen times as much as the millionaires, and, in a word, that the wealth of this class, which forms the basis and the overwhelming majority of those who compose our social structure, aggregates, to say the least, as much as all the several classes of the well-to-do, the rich, the very rich, and the phenomenal plutocrats put together.

In a word, it often happens, as Mr. Henry Wood in his "Political Economy of Humanism"<sup>1</sup> has admirably put it, that "by sentimental comparison there is a general feeling of relative poverty on account of existing great private fortunes. Men measure themselves among themselves. But no one is absolutely poorer, but rather richer, on account of existing wealth, even though it be controlled by private ownership. Every social unit in the body politic is, at least indirectly, better off for general accumulation. It is the human stock in trade, and its lines extend indefinitely in all directions."

It is a very common but inaccurate saying that "the rich are growing richer and the poor are growing poorer." A superficial view may

<sup>1</sup> Page 173.

## THE INDUSTRIAL SITUATION

give such an impression, but any thorough research shows that the assertion that the poor are growing poorer can be proved to be false by actual statistics.

Indeed it would be easy, if there were in this connection adequate opportunity for it, to go a step further; and though I cannot, because of these limits, now advance to that step, let me at least indicate the direction in which it would tend. Some one who has followed me thus far might interpose at this point, "Very well, suppose that, for the sake of argument, one grants all that you have thus far urged, and acknowledges what wealth, whether in land or in other forms, in the hands of the few has done for the many. Will you deny that it would do a great deal more if, for the greater good, its administration were transferred from the hands of the few to the hands of the many? Or, in other words, if, instead of this monstrous disproportion between the wealth of a very few and the poverty of the many, all the land and stocks and bonds and ships and factories and railways, and all the rest of it, were put in one common purse and administered in precisely equal proportions for the good of the

## THE CITIZEN AND THE CAPITALIST

whole number, would not that be feasible, would it not be equitable, would it not, remembering the example, in the book of the Acts of the Apostles, of those who sold houses and lands and laid the price of them at the apostles' feet, be scriptural and primitive and Christian?" Well, to take the last question first, that would depend upon whether such an incident was meant to be the disclosure of a social law for the kingdom of God, or simply a special provision for a special emergency. As to that question I have myself no smallest doubt. That Christ came to annihilate private property, in the sense in which any Christian man understands these words who recognizes that all that he holds he holds as a trust from God, I do not believe that there is the slightest warrant for maintaining.

As to the other two questions there is no sufficient warrant for holding anything else than that there is an answer equally explicit. Would not, it is asked, this communism of property be equitable? Most surely not. By what rule of equity are the industrious called upon to surrender their earnings to the idle, the virtuous to the vicious, the temperate to the intemperate?

## THE INDUSTRIAL SITUATION

We talk about the poverty that there is in the land, and the hardship with which it bears upon the poor. My revolutionary friend, before you pull down the pillars of our existing social order, suppose you ask who is responsible for it? Twenty years ago the money expended in the United States for liquor was \$900,000,000 per annum. Would you care to trace that money to the pockets of the men who spent it, and learn who they were, and what difference their saving it would have made in their circumstances? And, when you have communized all the wealth in the land, can you give me any encouragement to believe that by that revolution you will have transformed human nature so as to make such a revolution an equitable thing?

But, as such considerations will have already suggested to you, they are practically superfluous, because a social order based upon the annihilation of property means a reversion to barbarism. Beautiful as I know it has seemed to multitudes of good and pure minds, it is not a workable scheme. Let us look at it a moment and see why.

That which has made civilization has been

## THE CITIZEN AND THE CAPITALIST

the service of *mind*. That which has created the opportunity for the works of genius has been a state of society which has not condemned all men equally to the same kinds of labor. But this is the essence of socialism. Not only must all work, but all must work substantially in the same way, at the same task, and the same hours. A clever writer has lately drawn for us the picture of a modern socialistic community assembled for the purpose of determining what is necessary, useful, and productive labor. The majority of this community is made up, as inevitably it must be, of precisely the same material as makes up the body of men who in a Pennsylvania or Virginia mining region make up a labor union. They are to vote as to what are the utilities of life. Do you suppose that the artist, the poet, the philosopher, the divine, would have any place among these? Does such a constitution of human society promise for it anything else than food, and drink, and clothing, and fuel? Do I task your imaginations very heavily in asking what such a community would say to you or me if we should say: "No, you must excuse me from sawing wood or boiling potatoes. I think such powers as I

## THE INDUSTRIAL SITUATION

have can be better employed in writing a poem, or painting a picture, which shall kindle in some other life the aspiration of noble living or heroic self-sacrifice.” We know perfectly well that the answer would be: “My dear fellow, you are ‘off your base.’ The only fire we want you to kindle is the kitchen fire, and the only painting that in this society you are called upon to do is the barn door!”

And, indeed, in a society so constituted there would be no resources with which to compensate the poet and the painter, the scholar and the man of science; for such a society, having annihilated capital and effaced all traces of our present social order, would have only such resources at its command as such a mechanism would produce. The accumulated wealth of the land would all be distributed *per capita* to individuals, and all business, manufactures, transportation, and the like would be carried on by the government. If any one anticipates that such a system of doing the business of a nation would leave it anywhere but increasingly in debt, he has only to study the conduct of one large department of business conducted, as we are bound to believe, by the cleverest nation

## THE CITIZEN AND THE CAPITALIST

under the sun: I mean the American post-office department, which is conducted annually and habitually at a dead loss, and of which capital, in the form of taxes, annually makes up the deficit.

And so our modern civilization will be wise to recognize the fact that it cannot dispense with either capital or the capitalists. Your question and mine is rather the question: What should be the attitude of the citizen, as one recognizing his civic stewardship, to this element in our social structure and life? It is one, it is well for us to remember, which in the final analysis stands on precisely the same level as many another thing concerning which we have never thought it worth while to raise any such questions as those to which I have referred. In a word, capital is *stored force*, and, as such, falls under substantially the same law as any other stored force. The forces of nature—water, fire, electricity, and compressed air—may be stored forces; and, as such, as it may easily be seen, may be dangerous forces. I have already employed one of them in illustration of what I believe to be a sound philosophic position with reference to the whole

## THE INDUSTRIAL SITUATION

question, but I might as readily have employed any other. Indeed, the familiar proverb, "Fire and water are good servants but bad masters," succinctly states the whole case, and is just as true of capital. In the case of great accumulations of any natural force, mere aggregation may become dangerous because, with the growth of accumulation, whether it be the accumulation of water or the storage of electricity, the possibilities of mischief from their unrestrained action are almost infinitely increased with the increase of volume.

And so it may be said, and said with truth, that great accumulations of capital may easily be, under certain conditions, a menace to society. They make it possible for the unscrupulous strong to buy, corrupt, or crush the timid weak. They make it possible for vast organizations—it is not of the smallest consequence whether we call them corporations, "trusts", "combines," or "corners"—to create fictitious values, on the one hand, and to destroy those that are real on the other. They make it easy, often, to produce a fictitious scarceness of the necessities of life where there is none, and practically to annihilate

## THE CITIZEN AND THE CAPITALIST

values when weaker men refuse to yield to their decrees. And so there has come to pass, more than once in the business world, substantially such a situation as a clever and accurate mind among ourselves has lately shown to be not at all unlikely in the wider realm of the world's politics. In a striking essay,<sup>1</sup> published not long ago, Mr. Brooks Adams points out that, practically within the last decade, the industrial relations of the United States to the rest of the civilized world have been wholly revolutionized, and that the republic is now marching with giant strides toward the almost universal industrial conquest of the whole of Europe. But I will let this brilliant and cogent writer speak for himself. "Between 1897 and 1901," he says, "the average excess of American exports over imports has risen to \$510,000,000 yearly. The amount tends, for excellent reasons, to increase. Just now America can undersell Europe in agricultural products; she can likewise undersell Europe in minerals as raw material; she can undersell Europe in most branches of manufactured iron and steel, be-

<sup>1</sup> "Reciprocity or the Alternative"—"The Atlantic Monthly" August, 1901.

## THE INDUSTRIAL SITUATION

sides many minor classes of wares. On the present basis, there seems to be no reason to doubt that, as time goes on, America will drive Europe more and more from neutral markets, and will, if she makes the effort, flood Europe herself with goods at prices with which Europeans cannot compete. Should the movement of the next decade correspond to the movement of the last, Europe will, at its close, stand face to face with ruin."

Does this sagacious observer believe that Europe will acquiesce in any such catastrophe? Not in the smallest degree. And the essay from which I have quoted is mainly an argument to prove that, forced to face such an issue, Europe will resort to one of two alternatives—reciprocity treaties or war; and he then proceeds to point out how extremely dubious, so far as our future prosperity or even survival as a world-power is concerned, the latter of these alternatives would be, should we decline the former; since, to mention only a single item in the problem, the United States, with its long and practically utterly defenceless coasts, has 520,000 tons of war-ships; and France,

## THE CITIZEN AND THE CAPITALIST

Germany, and Russia, 2,893,000 (practically three million) tons of war-ships!

The value of the whole argument in its relation to that with which I am now concerned lies just here, that, just as nations have said from time to time all the way along and will continue to say to some one of their number, grown strong and great and powerful, "You shall not grow too strong, too great, too powerful!" and say it with the force of that mighty multitude that pulls down thrones and disrupts empires and disperses fleets and armies, just so that other mighty multitude, the *people*, will surely say to capital grown too great and powerful, "Thus far shalt thou come and no farther; and that thy power may no longer be a menacing giant or a corrupting cancer, we will see to it that, except as the common servant and common possession of all the people owned in common, employed in common, and dispensed in common, you shall exist no more."

Well, we have seen already what promise there is in any such reform, whether for the individual or the state. Is there not, in dealing with this great problem, another and a better

## THE INDUSTRIAL SITUATION

way? It is here, my brothers, as I conceive, that your relation and mine to this whole question becomes apparent. There are two questions which, as it seems to me, the world has a right to ask of every rich man, and upon the answer to which should depend the recognition which he receives. And the first of these questions is:

“How did you get your money?” A large part of the wide-spread hostility to men of wealth takes its rise just here, and because of a wide-spread suspicion that many of the colossal fortunes of which one hears represent, on the part of those who have acquired them, nothing but cunning—sometimes dishonest, often unscrupulous, and oftener still selfish and heartless cunning. It is this fact, I am persuaded, which is, quite as often as otherwise, at the bottom of that stern challenge of the working man as he looks at the capitalist. “What I have, meagre as it is, I worked for, and it is the product of my labor; but you—what toil have you given that entitles you to returns so tremendously disproportioned to mine, or indeed, to any return at all? You are not a laborer, but an idler.”

## THE CITIZEN AND THE CAPITALIST

Now, Mr. Mallock has shown in the volume from which I have already quoted<sup>1</sup> that there is, just here, a very common and a very grave confusion of ideas, based upon the notion that that only is labor which is manual or muscular; whereas “Human exertion as applied to the production of wealth is of two distinct kinds: Ability and Labor,—the former being essentially moral or mental exertion, and only incidentally muscular; the latter being mainly muscular, and only moral or mental in a comparatively unimportant sense. This difference between them, however, though accidentally it is always present, and is what first strikes the observation, is not the fundamental difference.

“The fundamental difference is of quite another kind. It lies in the following fact: That Labor is a kind of exertion on the part of the individual which begins and ends with each separate task it is employed upon, whilst Ability is a kind of exertion on the part of the individual which is capable of effecting simultaneously the labor of an indefinite number of individuals, and thus of hastening or perfect-

<sup>1</sup> “Labor and the Popular Welfare.”

## THE INDUSTRIAL SITUATION

ing the accomplishment of an indefinite number of tasks.”<sup>1</sup>

Mr. Mallock might have put the difference much more strongly than this. It is a wild night at sea, and a seaman is lying out on the yard-arm, striving to reef a huge sail which threatens, before he can secure it in its place, to tear him from his perch and fling him to the waves. Below him, on the bridge, stands the commander of the vessel, thundering his quick, sharp commands in swift and close succession; and then, when the emergency is ended, handing his speaking-trumpet to the subordinate who stands beside him and going to his cabin and his berth. “That man,” thinks the sailor, “is paid \$250 per month for his work, and I am paid \$20, and which of us works the hardest?” Could the seaman follow his commander to his pillow he would find out. When he himself has finished his watch, and crawled down into his berth, does he give the ship, for the time being, another thought? But how is it with the commander?

And this question we may ask with equal fit-

<sup>1</sup> “Labor and the Popular Welfare,” W. H. Mallock,  
pp. 145-146.

## THE CITIZEN AND THE CAPITALIST

ness concerning those captains of industry, of greater and lesser degree, who plan and organize and foresee and forecast; and without whose labors, not of eight hours a day, but of fourteen or eighteen often, there would be no ships to sail, nor mines to delve, nor factories to run, nor tasks for the vast majority of working men to do at all. If such men are paid more than the day-laborer, it is because—let us not hesitate in the most explicit terms to say so—they have earned more.

But it is quite another question with which we are confronted when we have to do with that class of capitalists whose manipulations of values have essentially no quality that is different from the legerdemain of a card-sharper, and whose directorial chicanery in connection with great corporations is one of the deepest stains upon our modern commercial and financial honor. Let me be explicit here, and clear myself, if I may, from the charge of mere rhetorical exaggerations. I claim that the capitalist with whom honest men can hold no honest converse is he, *e.g.*, who, being a manager or director or stockholder in some particular corporation,—

## THE INDUSTRIAL SITUATION

- (a) By manipulation of the stock market, in collusion with certain others like himself in the secret, artificially depresses values to the hurt and loss of fellow-investors; or who,
- (b) Being in the direction of some vast corporation, railway, mining, or other, withholds regular reports, statements, and information for his own personal advantage; or who,
- (c) Employs complicated, intricate, and obscure systems of bookkeeping which, though not technically fraudulent, deceive or mislead those who have a right to truthful and accurate information.

No one who hears me can be ignorant of the fact that by methods such as these great fortunes have been made, and are being made, of which it is sufficient to say that they do not honestly belong to their possessors.

A much wider field is opened, however, as to wealth unjustly acquired, and vast fortunes wrung from the hand of toil, in connection with the history of the matter of wages and the modes of paying them; the homes of laboring people owned by great manufacturing corporations; the rents that have been extorted for them; and the horrible conditions in which

## THE CITIZEN AND THE CAPITALIST

those who were forced to live in them were compelled to exist. They are facts such as these that we are called to remember when we regard, as great multitudes of people do, the embittered and resentful attitude of the working classes as fanatical or unreasonable. A writer who saw them, and who has placed on record the story of what he found, quotes this as the official record taken from a report of the State Board of Health as to the laborers' homes in what he describes as the most advanced State of the Union—Massachusetts: "In a single building in the town of W—, thirty-two feet long, twenty wide, three stories high, with attics, habitually exist thirty-nine people of all ages. For their common use there is one pump and one privy, within twenty feet of each other, with the drainage of the several sinks of the house discharging near by. The windows are without weights, and the upper sashes are immovable. No other provision is made for fresh air. Scores of similar overcrowded and uncleanly tenements exist and could be cited. It is well attested," continues the report, "that there commonly exist, in connection with the homes of the laboring classes everywhere,

## THE INDUSTRIAL SITUATION

filthy and insufficient privies, with overflowing vaults, unhinged doors, and rotten floors; cess-pools, sink-drains, and sewers, broken or surcharged, the foul discharges permeating the soil in the immediate vicinity of wells and cisterns; cellars where dampness and decay are doing a constant work of death, and yet are often inhabited; enclosures made pestilential by the causes mentioned and pig-pens and garbage tubs; while stairs and passageways are carpeted and draped with dirt of every nature.” And then, by way of fastening the people who live in such houses, and who work for the corporations by which they are owned, in an iron bondage to their employers, there has been devised what is known as the truck system. “It is a common thing,” says the author of “Wealth and Progress,” “in the manufacturing centres, even in the Eastern States, to find a large per cent. of the laborers practically in a state of pawn to the corporation for which they work. The tenements in which they live, the store at which they trade, as well as the factory in which they work, are all, directly or indirectly, in the hands of the employer.

## THE CITIZEN AND THE CAPITALIST

“By this means the store-book and the pay-roll are made to keep pace with each other, and a large per cent. of the laborers scarce ever receive a dollar in money, often being permanently in debt to the corporation, for which the latter holds a mortgage on their household effects! Thus the laborers are tethered to the spot, unless they go forth as tramps, leaving their furniture behind them, or, as is commonly the case, steal away in the night.”<sup>1</sup> And yet we say that we have no slavery in the land, and resent as a grotesque exaggeration the application of the term “white slave.”

Let me make haste to add that I am perfectly well aware of what some one may, perhaps, angrily seek to interject at this point; namely, that I am describing a condition of things which, whether in Massachusetts or anywhere else, has largely ceased to be, and which appropriate legislation has, to-day, made largely impossible. Undoubtedly this is true, and we may well thank God and a few brave men and women for it; but the dreary fact which makes what I have recited still pertinent to this whole discussion is, that reform in this awful business

<sup>1</sup> “Wealth and Progress,” George Gunton, pp. 367-369.

## THE INDUSTRIAL SITUATION

was not instituted by the capitalist or the stockholder; and that, as a rule, changes were made and conditions were bettered, not by the spontaneous action of the people who hired the workmen and drew the dividends, but by others who were, as a rule, wholly outside of the whole business, and to whose insistent demands, backed by legal authority, mill-owners and stockholders only tardily and reluctantly surrendered.

And so I maintain that the primary questions to be addressed to the capitalist always and everywhere are:

1. Where did such wealth as you are in control of come from? How was it made? Whom did the making of it rob or wrong? What claim have you upon the respect of honest men, or to the companionship of decent people, until you can answer these questions?

2. And then, next to these, comes the equally pertinent question, which it should be the office of a wholesome and rightly constituted society, but most of all of that divine society which we call the kingdom of God in the world, to press: “What are you going to do with it?”

## THE CITIZEN AND THE CAPITALIST

To that question, ordinarily, there are three distinct answers:

1. The first of these, to put it in its coarsest and commonest form, would be, “I am going to enjoy myself—I am going to have a good time. I am going to gratify wants which I have in common with my kind, which I see being gratified about me on every hand, without stint and in every form”; and, says the modern political economist of a certain type, “I am going to do this because it is not only agreeable to me, but good for the community. You may inveigh against extravagance, luxurious expenditure, prodigality in dress or equipage, in palaces or in jewels, as much as you please, but a sound political economy will demonstrate that without luxury there is no art, and that without profuse expenditure just so much less is distributed among those who toil or combine to supply the demands of such expenditure.” The question introduced here, as you will realize, is really large enough for a volume in itself; and to those who would peruse it in detail—and there never was an age which more urgently demanded that the whole subject should be

## THE INDUSTRIAL SITUATION

probed to its foundations—I would commend the admirable treatise by Émile de Laveleye, which, because it is the work of one of a nation that, more than any other, at any rate in modern times, has contributed to the deification and spread of luxury, is all the more competent to estimate and discuss the whole question.<sup>1</sup> Says M. de Laveleye in stating the question at issue: “A financier and an economist of the last century held entirely different opinions on this subject. ‘I maintain, for my part,’ said the financier, ‘that it is luxury which upholds states.’ ‘Yes,’ replied the economist, ‘just as the executioner upholds the hanged man.’” There could not well be a more comprehensive statement of the whole case. The spectacle of a hanged man is of value only in so far as it shows what may wisely be avoided.

And the reasons for such avoidance ought not to be far to seek. If it were attempted to be maintained that the prevalence of luxury promoted traffic, stimulated art, circulated money, and the like, the obvious question must be, How far are any, or all, of these ends a suf-

<sup>1</sup> “Luxury,” by Émile de Laveleye, London, 1891.

## THE CITIZEN AND THE CAPITALIST

ficient warrant for the production of effects concerning which, as far as the great mass of human society is concerned, there is absolutely no debatable ground. Of the effect of luxury upon those who indulge in it the pages of history, from the time of Heliogabalus down and on, are full. As enervating character, as debauching morals, as threatening—nay, destroying—the purity of the family and the integrity of the individual, there is no other single influence that can surpass it, if there is any that can equal it. Ask any experienced worker among lost and outcast women what, in the case of young girls, has been most productive in inducing those awful lapses that consist in the prostitution of the human body, and they will tell you what madness seizes upon the young when the lust of personal display is appealed to by a gold brooch or a pair of diamond earrings. And when you have constituted a social order in which these things are the prizes of the highest; when you have filled your current literature with portraits and descriptions which are continually dwelling upon and apostrophizing it; when, in one word, you have made a life in which these things are the much coveted

## THE INDUSTRIAL SITUATION

and idolized popular ambitions, the question must needs come straight home to every man and woman among us, “If I have wealth, how far am I warranted in indulging this craze, in feeding this passion, whether in myself or others, or in using great expenditure, in whatever form, to promote the creation of a standard by which no good end is served, and every bad and base passion inflamed and stimulated?” I am entirely willing to admit every word that can be said in behalf of luxury as the promoter of art: but when it has all been said, what answer can one make to these words written, not by some austere and ascetic hand, but by Ernest Renan, a Frenchman first, and not a Christian at all. “The mistake,” says Renan, “lies not in proclaiming industry to be good and useful, but in attaching too much importance to the pursuit of perfection in certain details. In minor matters, once a good thing has been produced, it is little worth while to improve upon it indefinitely. For, if the aim of human life is happiness, this has been very well realized in the past without these superfluities; and if, as the wise think with good reason, it is moral and intellectual grandeur

## THE CITIZEN AND THE CAPITALIST

which alone is necessary, these accessories contribute very little to it. History affords us examples of high intellectual attainments and a golden age of happiness which have been reached by men whose material state was crude enough. The Brahmins in India, while still living, as far as exterior civilization was concerned, on the level of the most backward societies, attained an order of philosophical speculation which Germany alone, in our days, has been able to surpass. The ideal of the Gospel [think of this from Renan!], unique and unsurpassable, in which the moral sense is wrought out with the most marvellous delicacy, takes us into the midst of a life as simple as that of our rural solitudes, a life in which the complication of exterior things finds but little place. Far from the progress of art running parallel with the progress made by any nation in the tastes for the comforts of life, we may say without paradox, that those times and those countries in which the comforts (and luxuries) of life have become the main object of society, have been the least highly gifted in the things of art.”<sup>1</sup>

<sup>1</sup> Renan, “Essays on Morals and Criticism.”

## THE INDUSTRIAL SITUATION

2. "But again," the modern capitalist may declare, "I have no ambition for accumulated wealth to spend it in display, but I do desire it to relieve myself and those nearest me from labor and indigence. I want a handsome competence for myself, and enough to provide the same for my children." It would be interesting to ask such an one what is his conception of a "handsome competence." It has lately been authoritatively declared that, in our chief American city, no one can live on less than one hundred thousand dollars a year! To secure this he must have for himself a capital of at least two and a half millions; and as much for each of his children. And when it is secured, what will be its effect upon him and upon them? "Relieved of the necessity of painful effort," such a man first, and still more his children, "will undergo only such efforts as are easy; so the habit of hard work disappears, and with it the zest of enjoyment which the reaction from hard work brings. The higher kinds of concentrated mental effort, with their corresponding enjoyments, go first; then the lower; even the physical exercises, involving still constant practice and play of

## THE CITIZEN AND THE CAPITALIST

mind, yield," as the author of "The Social Problem" has put it;<sup>1</sup> "and the independent gentleman, as he styles himself, becomes a social parasite, an idler in the school of life, and sooner or later, if not a degenerate, a 'detrimental,' mischievous, obnoxious, and altogether incongruous with a healthy human society."

3. But, finally, it may be said by the capitalist: "No, I do not want wealth for any of these things; I want it for power. I see that it can buy not only pleasure but influence, not only splendor but precedence, not only dogs and horses but legislatures and senates, and I want to be a man of power."

Alas, that there should be so much of truth in such declarations! But in them you and I see the supreme danger of capital to our time. It is an age, in a sense never before reached, I apprehend, in the republic, of purchasable men; and whole civic communities are nowadays said to be owned and administered, so far as both the law-making and executive mechanisms of society are concerned, by the capitalists. I am thankful to believe for myself that

<sup>1</sup> "The Social Problem," p. 116.

## THE INDUSTRIAL SITUATION

such a statement is an exaggeration, but it points to our common danger and it calls you and me to our common duty. Great forces are dangerous. Do not covet them. Do not cringe to them; but, most of all, realize that a right estimate of the duties of citizenship calls on it to seek how to disarm and control them.

## IV

### THE CITIZEN AND THE CONSUMER

AM to speak to you finally, of the Citizen and the Consumer. And the conjunction, obviously, must be copulative and not antithetical. One can imagine a listener, who has followed us thus far in this discussion, as saying to himself, "Well, all this is more or less interesting and curious, but it has nothing to do directly with me. I cannot be grouped with either of the great classes referred to in it, and I may leave the questions involved in that academic realm in which, so far as I am concerned, they both largely belong."

But, my brother, you cannot do that when it comes, in our modern social mechanism, to the duties and responsibilities of the consumer. There you cannot put yourself outside of distinct and personal responsibility. No matter how modest your consumption, you are nevertheless a consumer. The citizen cannot be a

## THE INDUSTRIAL SITUATION

citizen without being a consumer as well. In fact, if such were not the case the whole industrial fabric crumbles into ruin.

The capitalist and the working man alike imply, by an inevitable necessity, the consumer. They do not exist for themselves alone; and, if left to themselves, would equally perish. The capitalist must find somewhere the fields that invite the activities whether of his mills or his bank accounts; and the working man depends, in the final analysis, for his daily wage upon the consumer who purchases the products or utilizes the mechanisms which his labor has produced. It is an impressive thought, when you buy your ticket and go on board an ocean steamer, what a vast series of causes and effects you have helped to set in operation, reaching down at last to some forge-fire, or the subterranean depths of some coal-mine, that you will never see and have never dreamed of.

But when this is said, there is a class of teachers who have held that *all* has been said that could be said. In other words, what has been called, and I think on the whole justly, though of late in certain quarters the name has been repudiated, the “Manchester School” of

THE CITIZEN AND THE CONSUMER

political economists have maintained that, in regard to the various questions of supply and demand, the conditions on which they depend, the problems which they involve, and the effects, especially upon wage-earners, which they produce, the consumer, as such, has no concern, and need charge himself with no responsibility. And this is not at all, let me say, because of any deliberate indifference or inhumanity upon the part of the capitalist or employer who holds such opinions, but because he himself, equally with the wage-earner, is, as he holds, the subject of certain inexorable laws of supply and demand, which must operate because of inexorable conditions behind them, and with which mere benevolence is powerless to interfere.

The growth of such a doctrine is not difficult to trace, nor the causes which produced it. They are, in one word, the result of what I have already elsewhere described as the great industrial revolution of the last century. Mr. Hobson, in his "Social Problem," has pointed out four great changes which the industrial revolution brought about, the influence of which upon the constitution and problems of modern

## THE INDUSTRIAL SITUATION

society is as yet only imperfectly recognized. To one of these I have already referred in another connection, in indicating the changes, tremendous in their effects upon the business of the world and upon the individual worker, of the introduction into the domains of manufacture, transportation, and the like of machinery. One of these changes involved altogether new demands upon the working man; new conditions in the performance of personal service; and new restrictions in the area of personal activities and contacts. If you would understand what I mean, consider, *e.g.*, the daily life of a man who at the beginning of the last century worked at a loom, and at the end of it worked in a factory. In the former case, the loom was ordinarily in his own house, the material was of his own purchase, and the product, whether for wear or for sale, was his own property. Did you ever linger in his shop and watch and talk to an old-fashioned shoemaker? Did you ever discover how much shrewd wisdom, how much sound (as well as sometimes very unsound) philosophy he had hammered out of his lapstone? Did you ever follow him matching, measuring, piecing,

## THE CITIZEN AND THE CONSUMER

paring his material until, as you noted step by step of his progress, you found yourself arrested and fascinated by its cleverness, its resource, its variety, its final triumph in complex achievement? Such a worker, remember now, was a type of the great body of workers not a great while ago; and, constant and assiduous as might be his labor, it had in it the elements of contrivance, of variety, and, best of all, of coincident human contacts, relaxing to the mind, stimulating to the curiosity, and more or less satisfying to the social instincts. Now then, go from such an one to a great factory where a thousand men are employed. There are social contacts there, if by such a term you mean the neighborhood of other figures in the vast and thunderous and inexorable mechanism. But *it* never pauses, nor they; it never speaks to them, and they rarely or never to one another; it affords to the cleverest craftsman among them all only a fixed routine, invariable, determinate, and unyielding. He must adjust his movements to it; it will not alter its for him. If he follows all day long in stolid and slavish obedience, it will do its task, which is his. If he gets in its way, it will

## THE INDUSTRIAL SITUATION

still crash onward in blind and relentless fury, and sometimes it will kill him. This is the relation of the working man to the machine.

But another element in our modern industrial situation is the result of the demands of the machine. When the capitalist has discovered that he can make a thousand axes a day instead of a dozen, he must straightway set about finding a market for them; and when, by the extension of commerce and the opening of new countries and the promotion of free trade, he has succeeded in creating a demand not only for one thousand but for ten thousand axes a day, he must bend and drive and crowd the laborers that produce them. And here we come upon one of the most revolutionary influences that have touched our modern life. For, as commerce and manufactures pushed each other farther and farther afield; as, in other words, the demand of new mechanisms and new markets grew and widened, they ended in devouring not merely men and women, but children. One of the most tragic pages in the history of modern industrialism is that which is concerned with the exploiting of child labor—of boys in mines, and of girls in factories, etc. Happily,

## THE CITIZEN AND THE CONSUMER

in those cases where it was most eagerly undertaken, it has at length, though tardily, been limited and, in some measure, regulated by law. But the children who, when they came out of the factory at the end of their day's or half a day's work, were so exhausted that the food prepared for them had sometimes to be put in their mouths, were but one illustration of a situation whose horrors those of slavery, in lands where slavery has existed, never exceeded, if on the whole they ever matched.

And, for a long time, the state of the worker both in this country and in England was no better, not only in regard to children, but to women; and concerning these, under circumstances, and with elements of shameful brutality which, here, I may not name. In some respects these conditions have been amended; but in others they are, in our great cities, as merciless, health-destroying and soul-destroying as they have ever been in any most crowded factory town in other lands. And men and women who directly or indirectly profit by the miseries of these poor creatures are, too widely, wholly indifferent to them.

But still another result of this enormous in-

## THE INDUSTRIAL SITUATION

Industrial development has been the growth of huge and congested communities, and what has aptly been called the severance or weakening of the personal nexus (*a*) between employers and employed, and (*b*) between sellers and buyers. As to the former of these, no change which has come to pass in our times has been in its nature more serious, or in its results more menacing. It may be stated as a general principle that there is no one thing which could contribute more effectually to the weakening and ultimate disintegration of society than the loss out of it of the personal element. How precious this is let me ask you to test out of your own experience. The ordinary contacts of the ordinary individual, who is not himself an employer of labor, with working men are oftener than otherwise in travel. Our great railway and waterway systems, all around the world, employ millions of men who—did it ever occur to you?—never, from first to last, come into contact with an employer. They come into contact, indeed, with underlings like themselves, who are in turn the creatures of a vast and relentless mechanism which is crying to them forever, like Dickens's policeman to

## THE CITIZEN AND THE CONSUMER

the waif in the street, "Move on! move on!" But, beyond that, their working life is a dull mechanical round from first to last, from day to day, from week to week. Try, now, when the opportunity comes to you, to touch one of these lives with your own, and you will be strangely unobservant or insensible if you do not find something responding to you, often with a startled surprise which is almost like a dead faculty coming to life again. The whole man, incased by routine, driven by corporate commands, number 549,871 if you please, finds to his delighted amazement that you are not reckoning him in, after all, as no more than a mere cog in the wheel. And yet, as a matter of fact, the vast system of our industrial life has practically reduced him to that.

"Well, what of it?" says the disciple of the Manchester doctrine. "What are you going to do about it? How are you going to remedy it? Really, if you hypersensitive people will stop and reflect about it you will see that your objections to such a condition of things, your insistence that they are not to be endured, your demand that they shall be remedied, are just as essentially absurd as that of the passenger

## THE INDUSTRIAL SITUATION

on shipboard who, having stood out on the forward deck in some searching and freezing northeaster, when the bleak and bitter winds were cutting him to the bone, should insist that the captain and the third officer, who were enduring the same hardships on the bridge above him, should come down with him and go to bed. Somebody must stay on the bridge. Some few must face the hardships of the storm for the safety and comfort of all. Some lives must be sacrificed in mining coal and weaving cloth and welding iron. The commerce of the world cannot stand still. In all great enterprises there is a certain element of necessary waste. In all successful enterprises somebody is sure to fall by the way; but the column must move on."

This policy in our industrial life has been baptized with many names: whatever they are, *laissez faire*, necessarian, or the good of the greatest number, they are of the devil, and deserve, as Jesus did with devils, to be cast out. For when we come to trace the history of a great deal of our modern industrial enterprise, the saddest note in it all is its note of a consistent indifferentism. Allowances were

## THE CITIZEN AND THE CONSUMER

undoubtedly to be made in the beginning, when the whole situation was new, and its effects upon the individual worker imperfectly recognized. But the misery of it has been that, from first to last, what our great manufacturing or commercial interests have done for the wage-earner in the way of minimizing the hardships and, sometimes, the horrors of labor, has been done, as a rule,—I do not forget that there have been some splendid exceptions,—but as a rule, solely and only at the stern demand of the law. Somebody's attention has been arrested; at last somebody's sympathy has been touched; somebody's hot indignation has been aroused; and then at length, and too often slowly and reluctantly, the needed relief has been provided.

It is at this point, I entreat you to recognize, that there enters *the responsibility of the consumer*—and yours and mine therefore—in this whole situation. The theory of industrial economics to which I have referred says to those of us who are outside of its technical workings: “This is none of your business. You could not do anything if you would. The whole matter of the conditions of labor is governed by inexorable laws, and first of all by the

## THE INDUSTRIAL SITUATION

law of supply and demand, and you are powerless to alter or amend them. Stand aside!"

Well, the time has come to challenge that imperious tone, and the consumer's business it is, I maintain, to do so. You will see, I trust, now, why I have led you by this long and, it may have seemed to some of you, extremely circuitous route to the point to which we have now come. Either the consumer has some responsibility as to the conditions under which that which he consumes is produced, or he has not. To that question political economy—at any rate, political economy of the elder school—has a clear and explicit answer: *He has not.* "Men of humane culture," as Mr. John A. Hobson has described them,<sup>1</sup> "smitten with social compunction, and hard-headed, self-educated working men, have turned for light and leading to text-books of economic science, and have found darkness; have gone for bread, and have received the stones of arid, barren academic judgments." Professors of economics resent this criticism and reply: "What you ask does not come within our province. You come saying, 'Prophesy unto us.' Here is a mass of

<sup>1</sup> "The Social Problem," p. 18.

## THE CITIZEN AND THE CONSUMER

unemployed people; tell us some *safe* way of utilizing their labor. Here is a deadlock between labor and capital; suggest *fair* terms of settlement.” Of late the political economist has been in the habit of rubbing his hands in deprecating fashion and telling us, “Political economy is a science; we are not practitioners.” I do not affirm this of some of the greatest masters of the science of political economy such as Adam Smith, Mather, Ricardo, or, even later, of John Stuart Mill and Jevons; but too often the teacher of political economy has been content to “tread delicately in the intricate mazes of historical research and currency, and to do much subtle theorizing about terminology and method,” and to do no more. All this doubtless should be done, but not the other left undone.

And here, therefore, I repeat, enters your responsibility and mine who are consumers. One of the first questions with which, in all our commercial transactions with our neighbor, we must needs be concerned is the question of cost. Not alone is such and such a thing useful or beautiful or agreeable to the taste or not, is, after all, very often the final question,

## THE INDUSTRIAL SITUATION

but also the further question, “What does it cost?” But that is plainly, as a little reflection must show us, a question which concerns not alone ourselves and the measure of our own resources, but, in another and really much higher sense of the term “cost,” the producer or producers of the things offered to us. Whether or no we can command the money with which to purchase this or that or the other thing, is one question; whether we are willing, or, whether willing or not, whether we *ought* to incur the responsibility of purchasing it, and so encouraging its continued production by our complicity in the business of its production, in utter and absolute indifference to the conditions of cost in its production in which are involved its producers, is quite another thing. Here, *e.g.*, is a pearl which a woman wears with others strung about her neck, and which has been obtained at almost priceless cost in some deep-sea soundings far away. To find it or something like it, the diver took his life in his hand, and often lost it. If, now, this pearl were some precious remedy for a malignant and deadly disease, and the sacrifice of this one life could hope to secure the rescue from that disease of at

## THE CITIZEN AND THE CONSUMER

least two others, straightway the question would assume a wholly different aspect. But when it is of no such use, nor any other, save for the purpose of mere personal adornment, if often at such appalling risks it represents nothing more than art can construct to-morrow with such exquisite skill and perfection as to deceive the most critical observer, then the sacrifice of life for such an end ought, I venture to submit, to make its vain and bedizened wearer, as she flaunts this prize, stained often with the life-blood of a fellow-creature, in the face of her less opulent sisters, at least occasionally somewhat uncomfortable.

And the tragedy of such an illustration is that it is but the parable, in little, of a whole situation of which our manufacturing industries, all round the world, are the constant and deadly duplicate. I am trying to make you *think*, and not merely shiver, and so I shall not ask you to follow me along that long and ghastly pathway which runs through so many of our domestic industries that produce the things we wear, the things we eat and drink, the things with which we garnish our persons and our homes. But it must be known to most

## THE INDUSTRIAL SITUATION

of us that there are whole groups of manufactures which, in their effect upon the worker, are simply deadly. The gases that he breathes, the poisons that menace the lungs and the blood, the tasks that can be performed only by the sacrifice ultimately of the eyes, or by the shattering of the nervous system, all these are enemies to the physical powers of the working man which are matters of common knowledge.

And as we ascend above them to those conditions of our industrial life which are inimical to his intellectual life, the case is even more serious. We have been busy for the last fifty years, and increasingly busy during the present generation, in widening the mental horizon of the wage-earner. Our system of popular education, on which we greatly pride ourselves as a glory of our American civilization, is in its extent and in the variety of its component parts a striking contrast to the public schools in which the majority of the American people were reared half a century ago. The three R's included, then, the most of it. But to-day, if we reckon in the higher departments of our public schools, the range of subjects is all but collegiate in its extent and its variety. Now it is an enormous enlargement of

## THE CITIZEN AND THE CONSUMER

the mental horizon which has come into the life of a youth who has been thus educated.

But the inexorable conditions of modern life, as of that which from the beginning has preceded it, ordain that the graduate or the pupil of this system, oftener than otherwise, earns a livelihood with his or her hands. Eager as those scientifically trained may be to turn their backs upon manual labor,—and the pathetic struggle to get away from it is one of the most painful and perplexing notes of modern life,—there is, after all, for the great majority no possible opportunity. If they had the aptitudes for other than manual labor, there are not, in the great majority of cases, the openings for it; and of those who find them a considerable proportion fall back, soon, to the level of the mere hand-worker, because, in spite of all their striving, they cannot bring themselves abreast of the average standard of remunerative competency. And all this is, in a sense, we say, and say rightly, as it should be. The tools to him who can use them. The task to him who can perform it. The release from the work of a day-laborer to the man who has something more than the capacity for only hand work.

But what of him who has striven to rise

## THE INDUSTRIAL SITUATION

above mere hand work, and has fallen back? He may own the justice of the verdict which decrees him, in the higher realms of life's tasks, an incapable; but, as he takes up the tasks which fall to him in some lower realm, he brings to them, unfortunately for him, the tastes, the visions, at least the perceptions which have been wakened in him by his earlier and ampler culture. And he cannot strangle these. If your ear has been educated to distinguish in music a harmony from a discord; if your eye has been trained to discern the difference between true and false proportions; if your mind, in one word, has been taught to know, however imperfectly, the delights of those intellectual companionships which, as you move among them with some choice volume in your hand, make you conscious for a little while that you are communing with the world's best, can you forget all that, and, because your place and your task are lowly ones, make yourself as though all the other had never been? Let him who has tried it answer that question, for no one else can.

When the question of shortening the hours

## THE CITIZEN AND THE CONSUMER

of labor is raised, I hear men speak of it, sometimes, with a tone of almost savage resentment: "Eight hours for a man's working day!" it is said. "Why not make it four or two at once? How much farther is this unscrupulous pressure for the abbreviation of the working day to go? What is to become of our industries, our commerce, our productive capacity, in competition with other nations, if you continue to advance in this direction? Do you not see that demands so unreasonable as those which are now being made by the working man and his friends menace the whole foundations of our industrial and commercial prosperity, and threaten to leave us a bankrupt nation, with no money to pay the working man or anybody else? Will you brush these questions, which are fundamental to the whole business, aside, as if they were of no consequence, and persist in a course of utterly Utopian revolution?"

No; for myself, at any rate, I answer, I would brush no one of these questions aside, nor underestimate their substantial importance. There is, undoubtedly, a point beyond which you cannot reduce the hours of labor

## THE INDUSTRIAL SITUATION

without danger to that for which, and by which, labor itself exists. The question is undoubtedly one which needs to be dealt with in a spirit of careful scrutiny, and upon the basis of a wide generalization of demonstrable facts. But behind it rise other questions which are interwoven with it, and on which finally (to urge no higher motive for considering them) the enduring efficiency of the working man depends. I shall not attempt here to deal with the problem of the practical abbreviation as it relates to the question of the adequate and economical product of a day's labor or of the laborers' working hours. But this at least is certain: there must be, if you are to have, in connection with any task on earth, an effective workman, time for something else, and more, than work and eating and sleeping. Such a life sooner or later makes of a man an imbecile or a brute. Such a life drives a man to drink as straight and surely, oftentimes, as if you or I, when his day's work was done, led him with our own hands to the rum-shop, where he snatched the one little fragment of change and excitement which his whole life affords. And for such a life, just in so far as he connives at it, or tolerates it, or is par-

## THE CITIZEN AND THE CONSUMER

taker of the cheapened fruits of it, without protest or denunciation, the consumer is responsible.

But man is not made up of body and mind only. The image of God in him is his moral nature, and the rescue or ruin of this is of incomparably more consequence than anything that can befall his carcass or his mere reason. For these may perish here, and yet the nobler part of man survive beyond. And so, when we are brought face to face with the influence of modern industrialism upon the souls of those who are the subjects of it, the situation is, of all the others, the most grave. What is it? Well, the history of factory towns for the last fifty years, in both hemispheres, is the answer to that question. It is a matter for profound thankfulness that, owing often to the heroic efforts of a few devoted men and women, these conditions are so much better than, for a long time, they were: but that the promiscuous herding of men and women, boys and girls, in degrading and grossly indecent proximity; the exposure of the young and uncorrupted to tainting and corrupting intimacies with the debauched and demoralized; the gross disregard

## THE INDUSTRIAL SITUATION

of the most elementary conditions of refinement and decorum, in sanitary provisions that were simply and horribly barbaric; and the wholly unlicensed prevalence of vice and intemperance, were among these conditions, no one who has taken the trouble to acquaint himself with them will care to deny.

And, even when these were absent, the situation, among the great mass of the working classes, has been little better. It was early urged that if decent homes and a cleaner environment were given to working men and their families, the situation would be greatly improved; and much disappointment has been expressed when, after, as in some instances has been the case, costly and elaborate experiments have been made in the shape of model villages, these experiments have issued in meagre and unsatisfactory results. For this, however, there is a twofold reason which is, or ought to be, altogether intelligible. In the first place, character in the highest sense is not created by environment. It may be enriched and safeguarded by it. But it ought to be obvious to us that if we could in a moment, by the wave of some magic wand, transport every working man in the civilized world, with

## THE CITIZEN AND THE CONSUMER

his family but without his poverty-stricken belongings, into a palace, we could not by that means make of him a good citizen, a faithful husband and father, or an upright man. In fact, the probabilities are that his new surroundings would be, to such an one and to those who immediately pertained to him, an intolerable *gêne*; and that, with his wife and children, he would, as indeed has been the case in more than one such instance, abandon them for surroundings which, however inferior in respects which you and I should prize, had to him the incomparable attraction of being both congenial and familiar.

“Congenial and familiar.” Do we realize what the words stand for? Do we recognize, that is to say, the stern fact that, if we are going to lift men, we must begin with the *man* and not with his home; that we must awake and educate in him a love of decency, of purity, of chastity—of righteousness, in one word, which will make him impatient of an environment that degrades and embrutes him; and that until we have somehow done that we may build ten thousand model villages, and the last will be as barren and impotent for any transforming influence as the first?

## THE INDUSTRIAL SITUATION

And that consideration brings me to that other aspect of the whole matter to which I have just referred. Have you ever driven through a New England town; and did it ever occur to you to imagine that the beauty and cleanliness, the shaded charm, the scrupulous neatness, the note of a true refinement, touching alike the cottage and the mansion, were not at all the product of the rules and regulations of the municipality, but of something infinitely more potent than any mere civic machinery,—a high *ideal* in the individual? “Those oaks? My grandfather planted them. These shrubs? My mother watched and pruned them with an eye that never overlooked, and a hand that never tired. That noble stretch of woodland crowning yonder hill? Yes, we are poorer than we were in the old days, but *those* woods are not for sale!” Well might the Vermont stage-driver reply to the curious foreigner who, riding behind him on the box of a stage-coach, asked as he looked off on a rugged New England landscape, “What do you raise here?” “Sir, we raise *men*!”

Well, in the final summing up, it all comes to that. You may have an industrial system

## THE CITIZEN AND THE CONSUMER

that raises men, or, on the other hand, one that ruins them. And if it is not to ruin them, it must call to its aid some mightier force than money. For that, when we follow most of our modern specifics for the moral redemption of the working man, is all that has thus far been offered him. A friend of clear insight and careful observation who went, not a great many years ago, in the company of the founder and builder of one of those model villages to visit it, gave me soon after an account of it, the wholly unconscious pathos of which was, after all, the note that dominated the whole. Here was the pretty and picturesque railway station by which you arrived, and yonder were the tram-cars, and ranged in fixed and precise relation to one another along the broad and well-paved avenues were the workmen's cottages; and this was the ball-ground (on which nobody had been seen to play, for it was hedged about by many restrictions which discriminated sternly against the uncovenanted outsider); and yonder were the music-hall and the library and the reading-rooms, and all the rest of it—and oh, how dreary and stiff and regulated and mechanical it all was! “Did the people whom

## THE INDUSTRIAL SITUATION

you met seem interested in meeting the founder?" I asked. "I could not tell," was the answer; "they all looked away when they saw him coming." What a volume of meaning in the words! This prosperous manufacturer, by one or two clever inventions, finds himself, after a few years, a man of vast wealth, with a great multitude in one way or another dependent upon him. He feels, dimly, that he owes them something more than a mere wage. He knows something of the dreary conditions under which most of them live in a great and overcrowded city, and he sets about remedying them, as best he can, by creating his model village. But he brings to it the rule of a master, not of a brother. It is his, not theirs, even when he has turned it over to them to live in. His laws govern it. His tastes dominate it. His prejudices, which sometimes he mistakes for convictions, obtrude themselves at every step. And then, strangely enough, the people are not grateful! They are not even satisfied. There are complaints, and dissensions, and revolts against the rules, and by the time these have made themselves heard, he is tired and disgusted with the whole business, and clear

## THE CITIZEN AND THE CONSUMER

only about one thing, and that is that the working man is an ungrateful grumbler. Ah, it is not so that you and I can serve him! First of all, we must realize what so few of us have even thought far enough to realize, and that is, that above all else the working man wants fair play; and that, too often, his employer is little likely greatly to concern himself about this unless the consumer shall compel him. And then we who are consumers must concern ourselves as to the methods by which that compulsion shall be brought to bear.

Legislation is one of these, and it has been invoked, sometimes wisely, and sometimes, as many people believe, most unwisely. "It is easy," say such persons, "to pass laws which shall compel an employer to construct his factory, or the homes of his working men, or to shorten their hours of work, in accordance with provisions which, while they greatly inure to the comfort or profit of the wage-earner, will ultimately impoverish the employer." It is said, and it is said with much truth, that in some States the burdens imposed by law upon employers are such as practically to crush out whole groups of industries. But it ought to be

## THE INDUSTRIAL SITUATION

plain that the cause for this, oftener than it has been otherwise, has been an indifference on the part of the employer which has banded together the labor vote in a very frenzy of desperate resentment that has forced the hand of legislatures and precipitated the retribution of unreasonable enactments. Surely, somewhere between these two extremes there must be a just medium which it is possible for dispassionate minds to discover and then firmly to insist upon. And therefore, if we can persuade the consumer that mere cheapness is not the end of life, and that, after all, the well-being of a fellow-creature is more precious than a cheap "job-lot" upon a bargain counter, we shall have begun to enlist the force that, whatever may be the power of the lawmaker, is, after all, the most powerful of all.

And that brings me, naturally, to speak of a force which already has made itself felt, and which is worthy of still wider employment. I mean what is known as the Consumers' League. There is, I do not forget, a difference of opinion as to the value of such leagues, even among those who are most seriously and earnestly concerned for the betterment of our present indus-

## THE CITIZEN AND THE CONSUMER

trial system; and, that I may not seem to overlook such views, I will first quote what is urged against them by an authority whom I have already invoked, Mr. J. A. Hobson, and whose lectures were delivered before the London branch of the Christian Social Union: "In so far," says Mr. Hobson, "as the consumers who band themselves together to boycott certain shops and to give their custom to others are actuated by a charitable, self-denying motive, they must be regarded as persons who will buy in a dearer market when they could buy in a cheaper. An attempt is sometimes made to shirk this crucial test by suggesting that a Consumers' League merely induces its members to give preference to a good employer over a bad employer, both charging the same price for similar commodities, but the latter taking an illicit and excessive profit. This, however, is not a normal result; for where sweating goes on in a trade, competing 'sweaters' commonly drive down prices to a point at which a fair dealer can only with difficulty make a living. The normal use of a Consumers' League is to induce its members to abstain from buying goods at 'sweating' rates, in order to give the

## THE INDUSTRIAL SITUATION

trade to a fair house. We must, therefore, rightly assume that its members are willing to buy dearer goods when they might buy cheaper, and that in some cases they will actually do so.

“Now I am far from disparaging,” says Mr. Hobson, “the moral and educational value of such a movement. By teaching consumers to reflect upon the vital or mortal nature of the power they are by expenditure exerting over the lives of innumerable hidden workers, and by inducing some traders to recognize that the industrial functions which they exercise are fraught with distinct social and moral significance, they are engaged on an educational crusade of supreme importance. The organized action of a certain number of influential persons, consumers and producers, in a locality can sometimes mould a force of public opinion which shall shame the ‘sweater’ into some compliance with decent conditions of employment, and may even break down bad ‘customs of trade.’ But, taking a general survey of the field of industry, we find no reason to suppose that these moral forces can achieve large results in the matter of direct economic reform.

## THE CITIZEN AND THE CONSUMER

So long as the powerful economic forces of competition are coercing each manufacturer and trader, good-will and moral enlightenment among individuals cannot achieve much, nor can an amateur society of consumers, however skilfully managed, combat successfully the pressure of powerful trade interests."<sup>1</sup>

But this, if it is saying anything, is asserting that powerful trade interests "are more intrinsically or inherently powerful" than "good-will and moral enlightenment," which, in effect, is saying that selfishness is more powerful than the religion and the principles of Jesus Christ, which are the principles of unselfishness. For one, I do not believe it; and it is because the ideal of foregoing a present gain to one's self for a greater gain to another is the Christ-principle which is behind the whole idea of the Consumers' League that we are bound, as I believe, to regard it as a wise and timely instrument for a present industrial emergency.

For, after all, it must be owned, I think, that in the hands of the discriminating consumer rests finally the settlement of the gravest issues

<sup>1</sup> Hobson, "The Social Problem," p. 139.

## THE INDUSTRIAL SITUATION

in the whole industrial problem. Upon the narrowest platform and upon the widest, alike, the substantial testimony of experience is one. The vast and expensive mechanisms which, in connection with trade and manufactures for the purpose of creating artificial wants, and for devising the clever and often apparently successful means for exploiting them, are, in the long run, an impressive testimony on this point. It is undoubtedly true that, by ingenious and more or less sensational advertising, you may for a time create a curiosity which shall absorb some clever novelty as rapidly as it can be produced; but the continued demand for it, any intelligent tradesman will tell you, depends upon its meeting a want or appealing to a distinct need. That need may not be at all a higher need; but, on the side of stimulus, recreation, nutriment, or solace, it must be a distinct need, and the thing that meets it must have for its purpose a real adaptation. One cannot, however, recognize that fact without being at once confronted with the question, *e.g.*, what are real needs, and what is a wise or right provision for them? It is at once the most unintelligent and inhuman view of them to say

## THE CITIZEN AND THE CONSUMER

that they are, in the case of a working man any more than with you or me, only such provision as satisfies the craving for food and drink, for clothing, warmth, and shelter. These things we provide for our beasts of burden, in the interest of a wise economy of their physical powers in our service; and, if we ascended no higher, we are bound to do as much for the working men and women. But these are not only beasts of burden: they are human beings, with powers, however imperfectly unfolded, capable of taking hold upon that upper realm in which are the joy of learning and the greater joy of knowing.

How, now, does the production of a vast proportion of what you and I consume, tend either directly or indirectly to the betterment of the condition of the working man and the enlargement of his mental horizon? I have already elsewhere given in brief a recent annual drink bill of this nation; but has it ever occurred to us to ask who are the producers of this ten hundred million dollars which is spent every year in this country for intoxicating drinks? Alas, it is the working man who produces them, and mainly the working man who consumes

## THE INDUSTRIAL SITUATION

them; but he who is enriched by them and who therefore comes under the head of the consumer as we are now considering that term, is the stockholder in every brewery, every distillery, every saloon in the land who is reaping the profits of this trade, consuming the interest on moneys invested in such business, and, alas! too often enriching himself at the cost of the bodies and souls of his fellow-men.

There are other instances which will at once occur to you which are not so extreme; but to any reflecting mind it ought to be plain that, in a very real sense, the question of consumption is the bottom question of all. I am constantly asked by people who resent the demand for a better wage for the working man, "What service can you render such an one by an increase in his earnings which he is sure to spend in luxuries? You have just been talking about the drink bill of the nation. Do you know how much of it is the drink bill of day-laborers? You insist that the working man shall have more margin in his system of expenditure than the narrow wage which barely gives him food and warmth and shelter. When he gets it, have you ever taken the trouble to notice the foolish

## THE CITIZEN AND THE CONSUMER

and wanton extravagances in which he expends it—the cheap finery, the pinchbeck jewellery, the tawdry bedizement with which his home and his wife and his children are disfigured? You would have him spend it in that which will improve his mind, safeguard his health, provide for his future. Well, he won't!"

Well, do you? Look at the modern American home in what we are wont to call its best estate. How overcrowded with the exhibitions of a hybrid taste, half imitation and half barbaric sensuousness, it is; how lacking in a fine and high-bred simplicity; how reeking with the lust of mere display; how hot and rancid, often, with the stench of mere cost, *cost, cost, cost*, from end to end! And as of houses, so of persons. Said one friend to another enquiring after a third who had created a marked sensation at a great social function: "How did Mrs. So-and-so appear?" Said the person whom she addressed, "She appeared to be smeared with diamonds." "Oh," exclaimed the interrogator, referring to the rather strong term applied to her friend, "how very *coarse!*" "Yes," answered the first. "But I should rather describe such vulgar and prodigal dis-

## THE INDUSTRIAL SITUATION

play as not so much coarse as wanton." And she was right. For no one of us can indulge his own lust of ostentation or extravagance, whether it touches his person, his home, or his equipage, or any other form of expenditure, without setting in motion a whole series of influences which reach down, and down, and down, until it fires the fierce covetousness and inflames the undisciplined passions of that vast substratum upon which, after all, the peace and prosperity of the republic must forever rest. However much we may hate the fact, or hate to have any one remind us of the fact, the fact remains: "No man liveth to himself and no man dieth to himself." As consumers of all or anything that enters into the usage and habit of a modern life, great or small, costly or cheap, necessary or ornamental, you and I are bound up with that vast network of producers which to-day spreads all round the world, from the tea-planters and silk-weavers and cotton-spinners of India or China or Japan to our own, and on whom, directly or indirectly, our expenditures, indulgences, luxuries, or comforts, and the demand for them, act and react to the last and remotest extremities.

## THE CITIZEN AND THE CONSUMER

And so we see our common calling. It is, if I have read it aright, a threefold relation of intelligence, of responsibility, and of sacrifice. The science which is known as political economy has been called the dismal science; and that branch of it which has undertaken to concern itself with the problems which in these lectures we have attempted to discuss has been called, by some in derision and by some in despair, the “occult science.” It is neither. It has its inevitable obscurities,—most of all, I think, because some of the more difficult questions with which it is concerned, such as those of wages, hours of labor, the unearned increment, and the like, are, so to speak, questions which are yet *in transitu*. But on the whole, there are, certainly there are for you and me, broad principles of primal rights, of associated duty, of the obligations of trusteeship, whether of capital or brains, or of any other personal power, which Jesus Christ has not left in doubt. Their application to sociological questions has been challenged, I have no doubt honestly, by men by whom, whatever their personal attitude to Christ, his teachings are regarded, with reference to this whole sub-

## THE INDUSTRIAL SITUATION

ject, as visionary or irrelevant. But, since you and I know better than that, we must concern ourselves to make our practice square with our knowledge. It is the life and the teaching of this Elder Brother of the race that we must bring to bear, not only upon the relationships which I have here discussed, but upon all those others in which human society is bound together. It is the divorce of that life and teaching from the life of to-day, the social problems of to-day, the capitalist and working man of to-day, of which we are most of all in danger. The supreme vice of what is called commercialism—by which I suppose we may understand, in this connection at any rate, the hard dominance of certain laws of supply and demand, of production and profit, of the extension of markets rather than the extension of morals—is that it is without an *ideal*. “Business should concern itself,” we are told, “with the real.” Precisely; but what is the real? In what scales will you weigh it, with what yard-stick will you measure it, in what packages will you export it? One sees the world’s merchandise ranged along the wharves of our modern civilization, and stacked up in huge piles for transportation to foreign consumers,

## THE CITIZEN AND THE CONSUMER

and sometimes, as one passes along, he notes such costly packages as marked with the word "perishable." Tragic and prophetic inscription, both in one; for the question which the student of the future will have to answer will be the question how far a civilization built upon such foundations is, not some of it perishable, but *all* of it frail, foolish, and swiftly perished. And so I bid you to strive to hold up before the eyes of men the ideal of a life, not of great material gains but of high, exalted aims: the aim of a fearless love of truth and then the fearless search for it; the aim of service and the aim of sacrifice. That great teacher and true prophet,—for us all too soon called up higher,—I mean the late Bishop of Durham, Brooke Foss Westcott, who passed on a little while ago to his reward, proposed to an assemblage to which he spoke one night in Westminster Abbey, the creation, in the interests of the practical solution of the problems which we have been now here discussing, of a fellowship of *Brethren and Sisters of the Common Hope*.<sup>1</sup> "That fellowship," he said, "must be social. Every member of it must hold himself pledged to regard his endow-

<sup>1</sup> See "Social Aspects of Christianity," Lecture IV.

## THE INDUSTRIAL SITUATION

ments of character, of power, of place, of wealth, as a trust to be administered with resolute and conscious purpose for the good of men: pledged to spread and deepen the sense of one life, one interest, one hope, one end, for all, in the household, in the factory, in the warehouse, in the council-room: pledged to strive, as he has the opportunity, to bring all things that are great and pure and beautiful within the reach of every fellow-worker: pledged to labor so that, to the full extent of his example and his influence, toil may be universally honored as service to the state, literature may be ennobled as the spring and not the substitute of thought, art (too often the minister of luxury) may be hallowed as the interpreter of the outward signs of God's working.

“All things are ready. . . . Look backward for the inspiring encouragement of experience. Look forward for the glorious assurance of hope. But look around you, without closing your ears to one bitter cry, or closing your eyes against one piteous sight, or refusing thought to one stern problem, for your proper work, and then thankfully accept it in the name of God!”

## V

### THE CITIZEN AND THE CORPORATION

THE law of association is as old as human society; indeed, in its higher forms, it may be said to mark the ascent of that society from its more primitive and barbaric forms. First of all, as I have already pointed out, we have the ascent from the patriarchal to the tribal organization of society, and then, in turn, from the latter to the dynastic and imperial forms. And out of these, in time, there come, by an inevitable law of evolution, those minor forms of organization, military, social, ecclesiastical, commercial, through which we ascend step by step to those extremely complex and all but all-encompassing mechanisms of corporate activity which we know to-day as industrial.

It is, in my judgment, impossible for the citizen who is a student to ignore these, even if he should desire to do so. A corporation has been

## THE INDUSTRIAL SITUATION

defined by some one as a “piece of machinery”; and the maxim of Sir Edward Coke, “Corporations cannot commit treason, nor be outlawed, nor excommunicate, for they have no souls,” is one which, detached from its immediate connection, is widely employed to remind us that the acts of corporations are to be accepted as, in a sense, outside the area, as of human sentiments, so of human responsibilities. Indeed, in this connection it is one of the humiliating notes of modern history that, while the law by no means excepts a corporation from a corporate responsibility, the history of corporations has not, ordinarily, revealed them as recognizing such responsibility until the penalties of the law have been rigorously invoked to compel such recognition.

It would be interesting, if in this connection there were space for it, to enquire how far this characteristic of corporations, which is observable even in their earliest history, arose from the circumstances of their origin. The organized life of earlier peoples—Egypt, Persia, and the rest—can hardly be said to have anything answering to our modern corporations. They were, as a rule, imperial despotisms, in which

## THE CORPORATION

corporate activities were represented only or mainly by the army. But with the progress of Roman arts, arms, and letters toward a world-wide ascendancy, there came into being, under an increasing necessity, those associations of individuals known as *collegia*, which originally consisted of at least three persons who were said to be *corporati*;—*habere corpus*. “They could hold property in common, and had a common chest. They might sue and be sued by (or through) their agent (*syndicus* or *actor*). There was a complete separation in law between the rights of a *collegium* as a body and those of its individual members. The *collegium* remained in existence, although all its original members were changed; and it was governed by its own by-laws, provided those were not contrary to the common law.”<sup>1</sup> Naturally enough, the earliest of these Roman corporations were *civitates* or municipalities; and after them came *collegia* of priests or vestal virgins, and the various trade associations, *fabri*, *navicularii*, etc., which represented interests such as those which are most conspicuous in the corporate

<sup>1</sup> Robertson, Professor of Roman Law, University of London.

## THE INDUSTRIAL SITUATION

life of our own day. With the dawn of the Christian era these corporations underwent the transformations in aim and purpose which were inevitable from those changes which followed in its train; but a fact of principal significance is that, instead of disappearing with other mechanisms which were distinctive of a pagan society, they seem, on the contrary, to have attracted the attention and secured the approval of the church. For when one comes to study the history of the religious orders, he soon discovers, if not at first then ultimately, that their monastic features, in the strict construction of that term, were by no means their most conspicuous feature. The theory upon which they came into being—viz., that they were to be a refuge from worldly cares and business—vanished before a great while, as, step by step, they grew in numbers and powers; and those of us who are under the impression—which some churchmen in our mother-country have striven with great earnestness to produce—that the suppression of monasteries by Henry VIII, and the confiscation of the property of religious orders, were instances of a wanton and arbitrary abuse of kingly power

## THE CORPORATION

which grossly wronged bodies of devout and godly men, have only to push their studies of the history of monasticism a little farther back in order to learn that the secularization of these religious corporations, and their large devotion to worldly ends by not very scrupulous means, were notes of their history at least five hundred years earlier, as the testimony of their own highest authorities and the bulls of popes and decrees of councils abundantly testify. The matter is of interest here, and pertinent to this discussion, because it discovers for our admonition an inevitable tendency in the principle of the corporation with which those who are, or are to be, teachers are directly and gravely concerned. There can be no question that the evil in religious corporations arose, as the evils in all other corporations have arisen, from the existence of occult and irresponsible powers. The monastic life involved seclusion. Its dominant note was not merely, as is commonly understood, that its members could not come out into the world, but even more that the world could not come into, nor see into, its precincts, its rules, its occupations, its life. It drew to-

## THE INDUSTRIAL SITUATION

gether and bound together, in a common interest and purpose, a body of men or women, all of whom were not clever or acute or aggressive,—most of whom, indeed, were none of these things,—and who, therefore, furnished ordinarily the most efficient tools for those who were. And then there followed what is always apt to follow where there is a situation which has in it the elements of secrecy, opportunity, and a coöperating constituency. In a religious order obviously sordid or dubious methods or aims were skilfully draped as means to a glorious end; even as in a modern corporation doubtful or equivocal features are excused for the sake of splendid successes. And so these ancient or mediæval corporations grew and spread until their very existence became a menace to the communities that tolerated them, and a stain upon the church that fostered them. The historian of the future may wisely disinter their story for the side-lights that it will cast upon the powers and perils of the modern corporation.

That story would not be complete, however, if it ignored those other corporations, not ecclesiastical but secular, of which the middle ages

## THE CORPORATION

were also the parents; and which were, in their turn, the forerunners of another form of corporation even more precisely industrial in its character than any other,—I mean the guilds. In one sense it would be inaccurate to describe these as the children of the middle ages; for, in fact, there are traces of them in Greece two or three centuries before Christ, designated sometimes as *eranoi* (clubs), or, again, as *thiasoi* (companies), and to be found at Rhodes, in the islands of the Archipelago, at the Piræus, and elsewhere. These guilds or associations seem, in many of their characteristics, to have anticipated the trade or artisan societies of the tenth and following centuries of the Christian era, and to have found their origin in much the same aims. In a word, the position of the workman, two thousand years ago and more, was not in most respects greatly different from what it is to-day. Single-handed, he was no match for his employer. The latter could dismiss him at his will, and hire another in his place. He could engage him at one wage, and next week reduce him to another. He could hire him to work twelve hours a day, and constrain him, when once his task was begun, to continue

## THE INDUSTRIAL SITUATION

it for fifteen or twenty. Why? Because, if the workman was dissatisfied, his employer could not only discharge him on the instant and hire some one else, but could do so indefinitely; and so long as this situation continued, labor was virtually under the employers' heel. I state the case in these bald terms because I want, if I may, to get you to realize that situation to which the modern trades-union was the alternative. The ancient society of this class had this one great advantage over the modern trades-union: that the master workman or mechanic, who was often the employer of apprentices and inferior craftsmen, was himself a member of the guild. The social divisions which then separated classes were largely different from our own; and that system which arrayed them as nobles, gentry, and commoners grouped all handicraftsmen, whether of high or low degree, together. We think that we have gained a great deal in abolishing all these distinctions in our own day, but the question as to what we have lost in doing so never seems to have occurred to us. One thing, at any rate, we have lost, which in some aspects of it was more precious than all the rest, and

## THE CORPORATION

that is *contacts*. If anybody to-day cares to tell the truth about the matter of social distinctions in the United States of America,—which most of us, unfortunately, don't,—he will be compelled to own that, from top to bottom, all over the land, amid whatever community or neighborhood or village, the effort that is most strenuous and most persistent is, not to draw near to our fellow-men, but to draw away from them; to remind other people, by our pretensions, our reserves, our condescensions mixed with contempt, that we are not as other men are, and least of all as they. Now, the enormous advantage of the trade and artisan guilds of mediæval times was that they antagonized this tendency, and drew men together: the master and the craftsman; the artisan and the laborer; the artist and the drudge. It is impossible to read the history of the greater guilds, whether in Germany, France, Holland, or England, without discovering how fine a spirit of *esprit de corps* they kindled, and how great a stimulus they gave both to fine workmanship and to brotherly fidelity in the doing of it.

In the two aims or motives which I have

## THE INDUSTRIAL SITUATION

thus indicated, we have, it would appear, an unanswerable argument for the existence of the trade-guilds, and, if so, for the trades-unions. They were the defence of the weak workman, and the inspiration of the less capable one. He had, if he were weak, his order behind him; he had, if he were but poorly competent, the ennobling example of his order before him. There can be no question, I think, that the guild of other ages gave the world better work and better men to do it, and the men themselves a better wage and a juster master. There can be as little question, I am persuaded, that the guild of to-day, which is the trades-union, can be made a no less efficient agency, not for the good of a class only, but for the good of the whole.

That, as yet, it has so often and so largely failed of any such results is owing to considerations which, as yet imperfectly recognized, will, when they are perceived and accepted, vastly improve, if they do not wholly transform, the whole situation. The trades-unions, *e.g.*, have, as a rule, maintained toward employers an attitude of armed neutrality. The most generous efforts on the part of manufacturers and others

## THE CORPORATION

to manifest, in their dealings with their workmen, a considerate and liberal spirit have often been met with a temper of suspicion and distrust which would be grotesque if it were not so pathetic. An illustration of what I mean has recently been afforded in connection with an enquiry conducted by the Board of Trade in England as to the matter of profit-sharing by workmen. As students of economics will remember, experiments more or less successful in this direction have been made in France,—of which that by M. Leclaire, the house-painter of Paris, is much the most noteworthy,—in Belgium, in England, and by Mr. Nelson in this country, near St. Louis. I shall not attempt to discuss the value of these experiments in this connection, to which they are only remotely germane; but I would ask your attention to the answers of several trades-unions to questions as to the value of profit-sharing as a feature of the relations of employers and workpeople; the principle of profit-sharing being simply that every working man should have, in addition to his covenanted wage, a certain share of, or percentage upon, the profits of the business; the idea being, of course, to give the

## THE INDUSTRIAL SITUATION

workman a more direct interest in his employer's particular enterprise, and a stimulus to diligence and fidelity in his own part of it. Now it would not seem that in such a proposition there was anything hostile or derogatory to the working man, but only something which would appeal to his sympathy and appreciation, if not to his ambition. Listen now to the reception which from certain trades-unions the proposition received:

One trades-union replied: "Conditions of scheme antagonistic to freedom of men, contrary to custom of trade, and opposed to trades-union principle."

Again: "The union has never made any formal objection, but has always regarded the scheme as an excuse for getting the men to work at high pressure and turn out more work than under ordinary circumstances."

Again: "Has a tendency to rob a man of his manly independence, and to remove the scope and field of trades-unions."

Again: "Because all do not share, and the employees know not what the profits are for the year. The employer, the men said, had speculated and made heavy losses."

## THE CORPORATION

Again fresh grounds for objection are suggested: "Because a different system of working has been introduced whereby two men have to turn out an amount of work equal to that which took three men to do." "Because of a certain amount of suspicion that the employers who introduce the system (of profit-sharing) wish to weaken the influence of trade organizations upon the men; and because it is believed that the fact of a bonus being given induces the men to hide, or fail to take action against, breaches of trades-union regulations."<sup>1</sup>

Now I have no slightest intention of discussing the force or value of these objections on the part of working men to a system of profit-sharing; but simply to call your attention to the animus which inspires them, of which, unless I have been misinformed, we have had illustrations nearer home. At the first view it is profoundly discouraging and no less profoundly mysterious that a proposition on the whole so manly and generous as that of profit-sharing by the employer with his workmen should be met with such pronounced distrust and suspicion. Of course, it is to be taken for

<sup>1</sup> See Board of Trade Report, 1894, pp. 182-187.

## THE INDUSTRIAL SITUATION

granted that the master sees beforehand the probabilities, in the stimulus thus offered them, of increased advantage to himself as well as to his workmen; but equally of course it ought to be recognized that, as to this, there is no certainty, while as to the essential principle there is an element of absolute equity which deserves to be both recognized and honored. And yet, in spite of these considerations, a proposition to certain trades-unions in the direction of profit-sharing is met by criticisms which just stop short of calling it a trick, and the purpose behind it a carefully devised scheme for inveigling more work out of the already over-tasked laborer.

Now, as I have said, the particular facts here, in any particular case, are of very secondary consequence. But what is of consequence in a world in which, to-day, the industrial classes include a vast multitude, if not, in Christian lands, a vast majority, of our fellow-men, is the answer to the question, “What has produced such an attitude of mind, and what has made it so widely chronic?” For, to carry the whole matter to its foundation facts, the disclosure of such a temper reveals the animus

## THE CORPORATION

not of a community of civilized men bound together by a common impulse in the peaceful avocations of a well-ordered and law-abiding land: it means *war*. *Timeo Danaos et dona ferentes* describes precisely that attitude of the modern working man to the majority, thus far, of the amicable propositions which have been made to him by incorporated capital and its management.

And there are for this, I believe, two reasons. One of these, on behalf of the working man, I desire unreservedly to recognize. He has been poorly advised, and, ordinarily, worse led. The labor agitator is too often a flamboyant orator of loud voice, reckless invective, largely inaccurate speech, inconsequent and tremendous gift of denunciation. When hearing him shout and stamp and anathematize on platforms, calling for the power to crush the tyrant corporation or capitalist, I have been reminded of a colored preacher of whom my right reverend brother of Tennessee relates this incident: On one occasion he was leading the meeting in prayer, which consisted mainly in his shouting over and over again, "O Lord, give us mo' powah—mo' powah, Lord!" until a colored

## THE INDUSTRIAL SITUATION

brother beside him, exasperated beyond endurance, at length interjected, "Oh, g'long, brudder! Youse got powah enough. Better ask de Lawd to give yo some mo' idees!" Yes, moderately instructed brains, the capacity in men who seek to lead others to recognize facts and their relations,—these are what labor, or any other cause like it, needs, and needs in this connection most of all.

But when I have said this, and I have tried to say it with absolute candor, it is not the whole case; and, so far as the distrust on the part of working men and of trades-unions toward corporations is concerned, it is a very inferior element in the final fact. Labor, whether individual or organized, is often unreasonable, often misinformed, often wayward; but human nature is substantially the same, pagan or Christian, in Patagonia or in Connecticut; and this concerning it is a bald and naked fact which if any mill manager or any other representative of a corporation undertakes to contradict, there is only one answer to make to him, and that is, that he is an ignoramus or a falsifier,—that fair dealing provokes fair dealing, and sharp practice equally invites

## THE CORPORATION

sharp practice. Read the travellers' tales about the African negro from Zanzibar to the great Nyanza, and a greater scoundrel, thief, liar, traitor, brute-beast, does not walk the earth; and then read the life of David Livingstone, and follow the dusky band who, with a tenderness and reverence that no funeral procession that ever trod the earth excelled, carried his dead body all the way from that spot in the heart of the dark continent where he breathed out his life to the ship that bore those sacred ashes to their final resting-place in Westminster Abbey; and then take care how you generalize about men, or races, or classes on the basis of insufficient facts! For with men, whether in a wilderness or in a mill, it is, after all, as it is with women in a kitchen. There are heads of households whom we all know, who never keep a servant a week, whose every domestic is "a thief," "an idler," or "an incompetent"; people whose homes are the perpetual scenes of discussions and dismissals, and whose testimony, if it were given in a court of justice, under oath, would be that there had never been an honest or faithful domestic in their houses; and yet, next door to just such people, there are

## THE INDUSTRIAL SITUATION

households wherein reign peace and order and mutual consideration, and where the service that is rendered earns not only its wages, but respect and gratitude,—and deserves them both.

The subject brings us to one consideration in the relation of corporations to their workmen which is practically wholly unrecognized. The ordinary discussion as to the relations of the laborer and the corporation which employs him concerns itself wholly with these two parties. But a recent writer in the “Economic Review,” Mr. W. H. Lever,<sup>1</sup> has brought out with singular acumen the intermediate term in the whole problem, without which the others are all but meaningless. “In order,” he says, “to study fairly and accurately this question” (he is speaking at the moment of profit-sharing), “we will commence with a consideration of that hackneyed expression ‘Capital and Labor.’ Never have two words been less understood. To make them understood, and connect them together, you must add the word ‘management,’ and make the phrase read, ‘Capital, management, labor.’ What are the facts? We have

<sup>1</sup> “Economic Review,” January 15, 1901; Vol. XI, No. 1.

## THE CORPORATION

all known many instances where labor starting without capital has prospered, and where capital without labor has prospered. But in all such cases there has been good management. We know of instances, innumerable as the sands on the sea-shore, where capital and labor have joined together without good management, but the result has always been failure. Capital and labor both are dependent on management. . . . The expression, therefore, 'Capital and Labor' standing alone is misleading, and creates an entirely false impression." "Those of us who have," adds this writer, "socialistic tendencies, and desire that the conditions of labor should be improved, believing that the improvement of the condition of labor is the only safe and certain means for the improvement of the whole human race, reject this confusion of ideas. Labor has looked upon capital as its sworn enemy. Capital at the same time rails against labor and labor leaders as the foes of civilization, security, and prosperity, and prophesies coming disasters. We regret this the more because it is clear that capital is the friend of labor, and labor is the friend of capital, and both are, in a greater or lesser degree, dependent

## THE INDUSTRIAL SITUATION

on each other. It is bad management which is the sworn foe to both. Adam Smith is largely responsible for the antagonism of labor towards capital, through his statement that labor is the source of all wealth. During a century that saying has been accepted as the final word on that subject, and as an axiom in political economy. A greater mistake was never made, nor one that has had more prejudicial effects on the minds of trades-unionists and working men generally. Labor of itself can never produce wealth; in fact, it will barely produce sufficient to feed, clothe, and house the laborer. But if labor is well directed, if the fairy of good management appears on the scene, all is changed, and labor can produce, does produce—wealth beyond the dreams of avarice."

Unfortunately, the writer of this acute criticism does not define for us what he understands by "good management," but I apprehend that most men could define it for him. "Good management," it would be said, "is energetic management, aggressive management,—the management that achieves results." Yes, but what results? We all know what is meant by that phrase in the mouth of the clever and driving

## THE CORPORATION

manager, such as the ordinary corporation puts in charge of its industrial activities. Results with him are measured by the amount of work turned out, and the low figure down to which expenses are crowded. The man who can produce a favorable report along these lines is a good manager, and would be largely sought after by any corporation in the land. And yet, such a man, with all these aptitudes, may be a brute, a tyrant, or a slave-driver. For, although we have abolished the institution which stood for these things, we have not abolished the things themselves. The hard pressure of the inexorable superintendent, the boorish rudeness of an unmannerly manager, the not very scrupulous adroitness of some such official when contracting with a working man for his labor,—these, whether we care to recognize it or not, are more than any other the causes of the unrest, the unreasonableness, the organized resistance, the muttered discontent, the secret plottings with which so many of the pages of our industrial history are filled. And yet, if, in the selection of a manager by a corporation which employs large bodies of working men, the question were raised whether he were a man of

## THE INDUSTRIAL SITUATION

equable temper, of self-restraint, of courtesy, of kindly sympathies and civil speech, it would ordinarily be received by any such corporation with shouts of laughter.

Now the point which I wish to urge just here is this, which I presume will surprise the average business man or member of a corporation, who is wont to regard the lucubrations of the clergy about matters of business with a good-humored condescension or contempt, as the talk of a well-intentioned but rather feeble-minded person who does n't know what he is talking about,—and that is, that this boisterous laughter is simply not “good business.” It is a part of a larger whole,—of that disease, in other words, which in our modern business life is tending more and more to dismiss the moral element, the element of character, and with it, almost altogether, the personal element. It is one of the vices of our modern system of manufactures that the proportions of it have all but inevitably dismissed in the work or its character the quality of individual touch. A thousand Waltham watches, we are told, will run more nearly together than a thousand Jurgensen watches, if Jules Jurgensen ever made

## THE CORPORATION

a thousand, which I doubt; but when done they are, after all, nothing but machines, while his is a work of art. Now, the task of the modern manager should be to resist this modern tendency, and most of all to resist it in connection with its tendency to mechanicalize *men*; and I venture to say that, in the mill or the factory where that consideration has been respected, where men have been regarded and treated as men and not as machinery, where the daily contacts have been tempered by courtesy, kindness, and consideration, the effect upon the men and their work has been direct, appreciable, and marketable, in the improved and bettered character of their product. And, to go a step further, when somebody writes an inside history of strikes it will be discovered how largely labor dissensions have been born, if not of bad faith, then of bad manners. A curious want of vision in our captains of industry fails to recognize the significance to their own undertakings, just here, of two classes of leaders—great generals and great schoolmasters. With neither of these, from Napoleon to Dr. Arnold, has success been won by relaxation of discipline, which with the

## THE INDUSTRIAL SITUATION

latter was as stern and inexorable as with the former. But with both of them, and with all their like, the secret of mastery has been the secret of personal recognition, discrimination, what some one has called "the minor equities," and a respect for them. If a mill manager or a corporation should care to learn what a master can, by such handling, get out of a man, let him read the "Life of Stonewall Jackson."

It is but just, however, to bear in mind that the powers of the most capable manager are necessarily limited; and that, after all, the responsibility for the acts of a corporation rests with that body itself. And this leads inevitably to another aspect of the whole subject concerning which just now the Christian teacher must not dare to be silent. It would be an interesting exercise, if it were practicable, to convene in some great hall the representatives of a dozen great leading corporations in this land, and call upon them, each in turn, to rise in his place and give a perfectly candid and explicit history of the successive processes by which the huge company or trust which he represents attained to its present proportions; to tell what weaker rivals were remorselessly and often un-

## THE CORPORATION

scrupulously crushed in its progress; what misleading representations were given out to deceive its competitors; what indirect processes were employed conveniently to "bull" or "bear" the stock-markets in its behalf; what doctored statements were furnished to the public or to the government in lieu of accurate and truthful information; and how far the present property of this or that corporation is due to such processes. "Yes," I hear some one say, "it might be interesting and to some people mighty entertaining. But what are you going to do about it? Suppose, after such an exposé of the methods of some such corporation, you published the names of the corporators and stockholders who are drawing, annually, their huge percentages from these huge trusts and companies, do you suppose that you could persuade them to throw up their stock and disgorge their gains? Human nature being what it is, what *can* you do about it?"

It is because human nature *is* what it is that I think that something can be done about it. A people's moral standards are the product of three things: their inheritance of tradition, their atmosphere, and their ideals. Now, in

## THE INDUSTRIAL SITUATION

the case of modern America, the inheritance of tradition has been, on the whole, very good. We have behind us, largely though not, alas! invariably, as witness the Mississippi and Virginia and other repudiations which here I will not particularize—but, on the whole, a high tradition for commercial honor. An American gold coin has come to be almost—not quite—like an English gold coin or bank note, which I have never found anywhere—think of it!—all round the world to be received for other than its full face value, than which I think there can be no prouder fact, insignificant as it may seem, in the history of that great Empire; for it means that it is an empire that always keeps its promises. But an American gold coin also, I say, has come to be everywhere that travel and traffic have gone an equally accepted standard of enduring value, and so a witness for honest dealing between nation and nation and man and man. That may fairly be claimed, I think, to be our national tradition. But it cannot be said to be our commercial atmosphere. That may be tested, I think, by the ordinary converse of commercial people; and if, in describing a transaction in trade or manufactures

## THE CORPORATION

in which one trader had overreached and outwitted another, and in which a course of action had been resorted to which, if arraigned in a court of justice, would undoubtedly be designated as chicanery, such a course of action were received when described as anything else than a piece of pretty shrewd business cleverness; if, still more, it were openly reprobated and denounced as the unscrupulous and essentially dishonest thing that it was,—that, I apprehend, would be ordinarily as unexpected as it would be apt to be described as an utterly unwarranted thing. Is it not likely, in other words, that if, under such circumstances as I have described, A. B. indulged in any disparaging comment of an equivocal transaction, C. D. or some other would promptly respond, “Really, my friend, you are a little too good for human nature’s daily use. If you don’t approve of our methods you can get out”?

And—for, after all, that is the *crux* in the whole business—does A. B. get out? Does he utter any protest? Does he seek to induce others to unite with him in such a protest? And if he does none of these things, does he recognize the immediate tendency and the ultimate

## THE INDUSTRIAL SITUATION

issue of such a policy of silence and of acquiescence as he feels himself authorized to pursue? We are impatient, many of us, in these days, at the persistent attacks which are being made by a certain class of agitators upon corporations and corporate wealth. We are satisfied that much of it is inspired by envy, or covetousness, or even worse motives. We are fond of saying, some of us, that modern socialism, with its confiscation of all private wealth, is only another form of piracy or highway robbery, and that the men who lend themselves to such methods and policies of social revolution are criminals *in posse*, if not *in esse*. Well, sometimes we may be right, but quite as often we are wrong. The policy that, in regard to property, and especially corporate property, would expropriate it for the common benefit, is born sometimes of a profound conviction that no other policy can arrest the often fraudulent processes by which it has been acquired. The history of the disposal of valuable franchises by the city or the state, under circumstances that leave no honest margin for doubt as to the corrupt influences by which they have been achieved; the frequent coincidence of the ex-

## THE CORPORATION

penditure of large sums of money by corporations with certain votes by a legislature securing for a song certain privileges to certain other corporations: these are things concerning which no one who is adequately informed in regard to them has any smallest doubt; nor that they have been, and are, acquiesced in by those who have profited and are profiting by them. And do such persons, or the corporations that act for them, suppose that knowledge of this sort is wholly in their own keeping, and that it never leaks out or filters down? And if it does, can there be any doubt about the festering and exasperating irritation that it is destined inevitably to produce in the minds of those who, if not directly wronged themselves by such transactions, know that others have been wronged, and that some vast aggregation of corporate capital, with its fabulous annual, semi-annual, or quarterly dividends, represents property which has not honestly been acquired? These are facts, believe me, which no one in all the world is so much concerned in recognizing as the people who, ordinarily, are most indifferent to them. Such persons turn away with an impatient

## THE INDUSTRIAL SITUATION

or resentful exclamation against mutterings which, if only they could heed them, might sooner or later create a public sentiment that, in time, would make corporate wealth as secure and corporate management as respected as are to-day the wealth and the business methods of the most honored and trusted private citizen in any community in the land.

And in this, most of all, is our hope, and incidentally, let me add, the pertinency of what I have said in this connection to the whole subject. There is no smallest doubt that, by a steadily and of late rapidly increasing number of people, the growth of corporate wealth and its aggregation in huge trusts have been regarded with increasing apprehension. Without impugning in the smallest degree the honor or integrity of those by whom, in many instances, these results have been brought about, it is widely felt that the mere existence of vast consolidations, whether of men, money, or power in other forms, has in it the possibility of mischievous if not malign results; and the impulse to limit or to restrain such combinations by law is undoubtedly growing, and may easily, ere long, bear fruit. I will not under-

## THE CORPORATION

take to say that it will be wholly in vain. It may easily be that legislation in some form may restrict, and perhaps altogether defeat, aggressive movements of this sort. But, unfortunately, corporations have, in this connection, a weapon at their command which has more than once befogged the brain of the lawmaker, and sometimes, it is to be feared, corrupted the interpreter or executive of the law, and so made the statute as impotent as though it had never been drawn.

And therefore we must go behind the statute to the men that make it, to those who construe it and interpret it, and further still to those who would evade or avoid it. And this is true alike of all corporations, whatever their aim or purpose. If here I have referred only to one or two classes of them, the principles which I have maintained are pertinent to all the rest. Those to whom I speak will have been more fortunate than I have been if, in connection, *e.g.*, with what are called religious corporations they have not sometimes encountered conditions and policies which it seemed impossible to reconcile with the highest dictates of either honesty or morality, as when the funds of such

## THE INDUSTRIAL SITUATION

corporations are made use of for private profit, or the incomes they received derived from property leased or under-leased for infamous purposes. To plead ignorance in such cases is to confess criminality; for such ignorance can be described in no other terms.

Now, the significant feature of a situation so deplorable as this is that it presents a singular and unwonted inversion of what I may call the usual law of demoralization. As ordinarily it operates, that law begins with the relaxation of standards in those who are assumed to be the social and moral exemplars of their time, the disciples of religion and its official representatives,—“*these in time of temptation fall away,*” and their lapses are made the excuse or the justification for theirs whose professions and positions are inferior or wholly negative. But, in the case of modern corporate mismanagement or breach of trust, I think it could undoubtedly be shown that, where a high standard of administration in religious corporations has existed, it has often been lowered by the introduction into their direction of those who had no other claim to be there save that they had been successful financiers in connection with

## THE CORPORATION

projects and properties whose history was often not only shady but discreditable. And this has come to pass because, as the author of the “Political Economy of Humanism”<sup>1</sup> has forcibly put it, “Directorial abuses are not only common, but subtle, plausible, and insinuating, so as to obscure and almost eclipse axiomatic moral principles which are older than the decalogue. The public conscience is so accustomed to directorial manipulation, and skilful and prolific ingenuity on the part of officials, more especially those of the average railroad, that they are almost expected as a matter of course. To be on the ‘inside’ is often as good as a fortune assured. Unscrupulous management is regarded only as ‘shrewd financiering,’ and even as ‘brilliant,’ so long as it escapes technical and legal cognizance and punishment. Instead of earnest condemnation from the public press, it often calls out criticism only of a flippant or facetious character. Its direct consequences may be seen in great congested, unearned fortunes, in a lax public conscience, in the (considerable) distrust with which the foreign world regards the average

<sup>1</sup> “Political Economy of Humanism,”  
Henry Wood, p. 248.

## THE INDUSTRIAL SITUATION

'American railway management, and in the transformation of a legitimate stock investment business into one of a gambling character.' And here follow words which connect the whole subject with that aspect of the larger one which I am discussing, and which are of the most tragic truth and import: "It furnishes the text and vantage-ground of every anarchist, socialist, and would-be destroyer of our present social order." Of that there can be no smallest doubt. The last utterance that I have read from much the most conspicuous champion of social revolution discusses a recent proposition—that of profit-sharing—for drawing working men and corporations more closely together, as simply a shrewd and clever device on the part of corporations and those who represent them for maintaining a situation in which the working man may, as heretofore, be effectively deprived of his just earnings.

There are partial remedies for such a condition of things, which are easily within our reach, and which it is the duty of good citizenship to demand. A pertinent analogy to the present situation in regard to great business

## THE CORPORATION

corporations may be found in our more recent administration of public charities; and since such corporations hold their charter from the state, and are secured in certain privileges by civil enactment, there could be no unwarrantable invasion of the privacy of the individual. It was found, some years ago, that the conditions in some of the public institutions of charity in the city in which I live were simply monstrous, and that infamies and corruptions had obtained in them for a long series of years, with the entire cognizance and acquiescence of official inspectors and the like. Under these circumstances, a few of us initiated a movement for forcing open the doors of such institutions and disclosing the acts of their employés to the public eye. I need not describe here the processes, by legal enactment and otherwise, through which this was accomplished. It is enough to say that it has wrought, in hospitals, jails, and asylums, a revolution which will lose its force and efficacy only when the public sentiment behind it grows cold or indifferent.

And here some one may see the pertinency of such an illustration to the subject which I am now discussing. How far are the secret and

## THE INDUSTRIAL SITUATION

furtive and often deliberately misleading policies and practices of corporate management consistent with the wholesome conservation of public morals? The writer from whom I have just quoted suggests, in this connection, that, in order to attain an end of such paramount importance as that, the citizen should invoke the law, and that the law should provide, *e.g.*:

*First:* The compulsory issuing of monthly reports in a uniform manner, and after a prescribed formula; the correctness of which should be affirmed on the oath of one or more directors, adding thereto such explanatory matter as the management might deem necessary.

*Second:* A periodical outside audit by governmental examiners or professional accountants, duly qualified and sworn for this special service, on some plan similar to that used in the case of national banks.

*Third:* Construe as bribery the receiving of any commissions or presents by any auditor, purchasing agent, or official, which are given because of official position.

*Fourth:* That it shall be illegal, with heavy penalties, for corporate officials to speculate in their own stock, directly or indirectly.

## THE CORPORATION



Undoubtedly such legal provisions would be regarded in some quarters as an invasion of private rights; but, as the writer from whom I have just quoted concludes, "a sound political economy teaches that individual freedom must give way to collective freedom, and that the will of society is paramount to personal will."<sup>1</sup>

And that consideration it is, when seen in its highest lights, that lifts this whole subject to its true plane. The individual is forever talking of his rights. But a question which takes precedence of his rights is the question, What are his duties? The Being who has been in the world for the purpose of instituting a divine society made plain enough to all men the principles on which it was to rest, and they were never those of self-interest, but always those of self-surrender. "Look not every man on his own things," says the apostle, paraphrasing his Master's law, "but every man on the things of others"; and if anything at all is clear concerning the mission of Jesus Christ to men, it is that he came to build here the temple of a regenerated society in obedience to the law of righteousness and love; to restore the divine

<sup>1</sup> "Political Economy of Humanism," p. 251.

## THE INDUSTRIAL SITUATION

equities; to rebuild the temples of justice, so that the humblest feet might enter into them; and over all human activities to arch the bow of a divine promise to those who loved their neighbors as themselves. Do I hear some one say that such a rule, however excellent it may be in our individual dealings with our fellow-men, has no place in, and can by no ingenuity be worked into, the fabric of a modern corporation? Why not? At what point does associated action cease to have a moral quality? What is the meaning of those old and clear words, "Thou shalt not follow a multitude to do evil," and again, "Though hand join in hand, the wicked shall not go unpunished"? It is precisely the implied assertion of this moral irresponsibility on the part of corporations which threatens not only to put the greatest strain upon our institutions, but to destroy in the hearts of the masses all faith in a God who is the God of those who can acquiesce in, or connive at, or consent to be enriched by, practices and policies which transgress the plain principles of common honesty and equity.

And so we see in this connection our high and solemn calling who are citizens. Where cor-

## THE CORPORATION

porate action touches the lives, the health, the mental or pecuniary loss or gain of the working man, it must be brought to realize that it is a steward not only accountable to men, but most of all to God. The hard hand of capital, pressing out of the working man the utmost of his strength and time, and taking no thought, and giving no means or chance for the betterment of his physical or mental condition, is not a seemly spectacle nor a witness to righteous standards. We are wont, many of us, to consider the demands of wage-earners as oftener than otherwise unreasonable and exaggerated; and yet in a letter which came to me the other day from a large employer of labor, he said, in connection with some remarks upon a recent issue between workmen and their employers, "As to strikes between operatives and employers, for wages, hours of labor, etc., one of our most prominent silk manufacturers said to me the other day, 'You may set it down as a rule that such strikes are, in nearly every case, the manufacturers' own fault.' " No words of larger promise have been spoken in the whole controversy between corporations and workmen,—not at all merely because they confess

## THE INDUSTRIAL SITUATION

error in some particular instances, but because, with a single touch, they lift all controversies between corporations and workmen into the light of the eternal equities.

Held there, there is hope for the ultimate transformation of the corporation into a transparent and benignant exemplar of the laws of human brotherhood. No genius of organization, no cleverness of administration, no vastness of proportions need fail out of it. The danger of trusts is not in their mere bulk, but in the menace of their uncontrolled and unrestrained bulk. The evil of the corporation is not in its mechanism or its proportions, but in its temper and its morals. In the last analysis it is a question simply of standards. A great public man in England, bitterly attacked by his political enemies, stood up one day before a vast assemblage that had greeted him with howls and hisses, and, holding up his hands before them all, cried out, "These hands are clean!" and no man dared contradict him. We want such a challenge, and such a corporate honesty and integrity behind it, from those great mechanisms of organized wealth which, despite the dishonor which has stained some

## THE CORPORATION

among them, have wrought such wonders and earned such honorable repute in our republic.

But it must come first through the individual. Corporations have, indeed, no souls. But those who compose them have consciences; and these they must bring to the standard of a divine righteousness, to be touched by its quickening hand, to be illumined by its spirit, and then to bear witness, in king's palaces, at board meetings, at directors' meetings, not fearing the face of man, because they have heard the voice of God.

## VI .

### THE CITIZEN AND THE STATE

IT has been the object of that discussion which this lecture will conclude to bring within the horizon of our thought those relations to society, and especially to society under the conditions of modern industrial activity, which man sustains, first, as an individual, and then as voluntarily incorporated for some particular business or calling. But, besides these relations, there is another, not voluntary but largely involuntary, which transcends them both, and that is to the state. Those successive steps which I have already traced, and which are in fact the story of civilization, are most of all interesting because they disclose to us how tribes or families which once had in them no more enduring elements than so many Bedouin Arabs, climbed at last to permanence and power. The family, the tribe, the predatory

## THE CITIZEN AND THE STATE

band of vagrant hunters or warriors ceased at last to be nomads and vagabonds, and became a people. And whoever they were, and wherever, and whenever this came to pass, it was always, practically, in one way. The chief became a ruler, and the rule became something else and more than a personal whim. Law took the place of caprice; justice reigned, however crudely and imperfectly, instead of mere impulse; person and property acquired recognized rights; processes were devised for determining and maintaining them; and so, however inadequately and fragmentarily, there were the beginnings of a state.

What are its duties and responsibilities to-day? what are the duties to it of students and scholars to-day? and how far, especially,—for that is the question with which, most of all, these lectures are concerned—should those duties which are the state's be enlarged or limited with reference to the industrial problems of our own time? If to some of these questions we may find no more than a partial answer, we shall, I think, be at any rate better equipped for grave tasks, and it may be grave crises, that are before us; and I do not need to re-

## THE INDUSTRIAL SITUATION

mind you that we shall be best equipped for such tasks if we seek to approach them in the light of the words and the works of One who, whether as a teacher or a citizen, is the unique figure in history.

And when we do so, the first thing that impresses us is, that when Jesus came into contact with the state, his only attitude to it, its laws, its courts, its executive, was wholly passive and acquiescent. The full force of this fact has been but very imperfectly recognized. Has it ever occurred to you how much more impressive to the popular imagination it would have been had it been otherwise? Before his birth, Joseph and his mother Mary went up to Jerusalem to be taxed. But consider the startling and dramatic effect that would have been produced when, *e.g.*, as we read in St. Matthew's gospel, "they that received the half-shekel came to Peter, and said, Doth not your Master pay the half-shekel?"<sup>1</sup>—that is, the temple tribute, or, as Weiseler suggests,<sup>2</sup> possibly the Roman census, or poll-tax,—if Jesus himself had brushed Peter aside and said, with

<sup>1</sup> St. Matthew, xvii, 25.

<sup>2</sup> See "The Life and Times of Jesus," Edersheim, Vol. II, p. 112, note.

## THE CITIZEN AND THE STATE

- august and imperial mien, “Most surely not! Shall a sovereign pay tribute to his subjects?” On the contrary, what Jesus in fact does is, first, to point out with utmost gentleness to Peter and the rest the groundlessness of the claim. “What thinkest thou, Simon? the kings of the earth, from whom do they receive toll or tribute? from their sons, or from strangers?” Or, in other words, “If this is a tax imposed by divine authority, shall the Son of Man who imposes it be subject to it?” which was a sufficiently explicit affirmation that His Father’s Son could not properly be subject to any such demand; but then, straightway, “But, lest we cause them to stumble, go thou to the sea, and cast a hook, and take up the fish that first cometh up; and when thou hast opened his mouth, thou shalt find a shekel: that take, and give unto them for me and thee.” That is to say, “All things are mine, and are subject to the constraint of my will. In paying this tax that shall be made plain beyond a peradventure. But lest, by a refusal to honor the demand, we cause others to stumble—lest, that is to say, by my disregard of a law which has here universal honor, I cause men to associate

## THE INDUSTRIAL SITUATION

with my message and kingdom a contempt for law, see thou that we conform to it."

There is even a much more significant illustration of the same principle in connection with the closing hours of Jesus, the vast and enduring suggestions of which have, I think, been but very imperfectly recognized. Preceding the crucifixion there were, as a matter of fact, as you will remember, four distinct trials or hearings in the case of Jesus: first, before Annas and Caiaphas; then before Pilate; then before Herod; and then, finally, again before the Roman governor. Has it never occurred to you what a unique and incomparable opportunity was presented, in connection with these, for a display of such power and authority as would have smitten each miserable court, in turn, with abject shame and ignominy, if, one after another, Jesus had put them each aside, and gone forward on his way, as king of angels and of men, as indeed He was, "thrones and principalities and powers being subject unto Him," —in sublime and utter scorn of all human tribunals?

But no; as, one after another, they arraign him, he has naught to say. As from one au-

## THE CITIZEN AND THE STATE

thority to another, ecclesiastical, regal, imperial, he is dragged to appear in succession, he lifts no resisting or detaining hand, but simply waits the issue.

We have here, I venture to maintain, a disclosure of the relation of Christ and his religion to the state which lies at the foundation of this whole discussion. Than the corruption both of church and state when Christ entered the world there is perhaps little that is worse in human history. The one was mercenary, formal, and hypocritical; and the other was cruel, wanton, and tyrannical. And, when moving to and fro amid conditions such as these, Jesus utters no more decisive or revolutionary words than “Render unto Cæsar the things that are Cæsar’s”; “Thou couldst have no power unless it were given thee from above,”—language which, if it means anything, means that the magistrate sits upon his seat under the authority of a divine ordinance, which bids all men everywhere respect the sceptre as the emblem of a divine order,—it is impossible to ignore the force of his words and acts.

What then, it may be asked, was and is the relation of the religion of Jesus Christ to the

## THE INDUSTRIAL SITUATION

state? Is it simply to sit by and see wrong done and sin condoned and cruelty crowned, and reach out no hand to pull it from its throne? Yes, so far as overt act is concerned, hard as the saying may sound, it is. What the individual citizen is to do, or the people of a state on its way to ruin under the leadership of blind or corrupt rulers, is quite another question. But for the church, as the incarnation of the spirit and purpose of the supreme Master of men, there is another and a better way. It is to penetrate the civil order with its divine spirit. It is to transform the secular mind by the spell, in it and on it, of the divine mind. It is to regenerate character, not to break laws. It is, in one word, to re-create the social fabric by the bringing into it of a new soul.

How hard it has been for the church to realize this, I do not need to remind you. It had gone but a short distance upon its way before we find it grasping at external power, and aping the airs and pomps of earthly courts. The latter came before the former; and the steps by which the church passed from its earlier simplicity to its mediaeval tawdriness and secular

## THE CITIZEN AND THE STATE

ostentations, exist as enduring warnings that the secret of its triumphs does not reside in things outward. But whichever it was, ceremonial or the greed of power, that in this noxious and enervating growth preceded the other, the two marched, ere long, side by side.

Over against a folly so utter and persistent as this, which, wherever its votaries go, in all lands and under whatever pretexts, inspires them most of all in grasping after political power and intriguing at the back doors of sovereigns and senates to get the ear and influence the acts of the dispensers of plunder or patronage, stands the figure of Jesus saying to man, "My kingdom is not of this world," and "The kingdom of God cometh not with observation."

But, if not, how then, does it come; or, to put the question in a form which is still more concrete and definite, What is your duty and mine, as citizens, to the state? I shall endeavor, first of all, to answer this question in more general terms, and then with reference more especially to those industrial problems with which it is the office of these lectures to concern themselves. In order to do this, however, it is ob-

## THE INDUSTRIAL SITUATION

viously necessary to begin by defining the office and function of the state itself; because, until we have some clear conception of these, it will be impossible to determine our own obligations to that organism for which they stand. We have already seen, be it remembered, that as an individual is an entity, so in a very real though by no means identical sense a corporation is an entity. It has a being, functions, responsibilities. And these attributes belong no less to a state. Whether we use that term in its widest or its narrowest sense, whether as describing an empire or a commonwealth, the state is a body corporate, sustaining a more or less clearly defined relation to other bodies corporate, and properly charged with certain definite responsibilities. It must protect the citizen in his just rights; it must maintain relations of equity and comity with its neighbors; it must promote the common well-being by exercising an authority which sometimes transcends and supersedes private rights, as when, for instance, it acts under the provision of the law of eminent domain; it must safeguard the public health and public highways; and, beyond these things, it may undertake and dis-

## THE CITIZEN AND THE STATE

charge certain additional responsibilities, such, *e.g.*, as that of public education, which experience has proven to be most advantageous to the common welfare.

The question, however, which arises at this point, and which, especially under our modern social conditions, more urgently presses for an answer, is, How much farther in these directions may the state wisely go? As one remedy for what many regard as the undue and disproportionate growth of wealth in private hands, it has been suggested, as I need not remind you, that the state should take over certain businesses, as already it undertakes the business of collecting, carrying, and distributing the mails, and conduct them, not for the benefit of certain private stockholders, but for the benefit of the state itself. In Sweden, as one solution of the drink problem, the state has assumed the business of the sale of intoxicating liquors; and with an eye not so much directly to the public enrichment because of the profits of such business, as indirectly to regulate and restrict it, in the higher interests of the consumer. I may not tarry here to discuss the sociological advantages of such a system,

## THE INDUSTRIAL SITUATION

which, as we know, enjoys the confidence of many well-informed and thoughtful people. The instance is, at this point, chiefly of interest as raising the same question concerning all businesses. If other things consumed by human society are not in their nature of such possibly mischievous influences, yet if impure in their manufacture and reckless in their distribution, it is, after all, of real and it may be of very grave consequence that, concerning them, some legal oversight and authority should be exercised. If I may ruin myself by drinking too much bad whiskey, I may poison myself by eating bad bread; and the question of the purity and nutritive qualities of this last may be said to be, so far as the vast majority of people are concerned, a question of immeasurably greater consequence. Still further, it may be urged, if there is force in this argument,—and for my own part I confess I cannot see how its force can be altogether ignored,—why may it not be applied to a great many other interests which are practically those of the whole community, and concerning dangers from which the community is, in the great majority of instances, wholly powerless to protect itself? No one can

## THE CITIZEN AND THE STATE

at this distance review the reasoning which was employed at the time of the great industrial revolution in England by even the most distinguished representatives of the doctrine of *laissez faire*, the doctrine, in other words, that, in the matters, *e.g.*, of wages, hours of labor, child labor, fraudulent adulterations, etc., things must be left to take care of themselves, and the equities involved in them be left to settle themselves under the domain of the great god of supply and demand,—without owning that Dr. Crozier's burst of scorn, in his “History of Intellectual Development,” is not wholly unwarranted when in this particular connection he says,<sup>1</sup> “Because *caveat emptor* is in general a sound business maxim, and because it is expedient that the buyer should be wide awake, shifty, and self-reliant, and should take the risk in all ordinary business of bargain and sale, John Bright . . . would turn red with indignation at the suggestion that the consumer should be protected by public authority against injurious or fraudulent adulterations, not only of commodities generally, but of food and drink as well; and rather than that you should violate

<sup>1</sup> “History of Intellectual Development,” J.B. Crozier, III, 65-66.

## THE INDUSTRIAL SITUATION

the sacred principle of *laissez faire*, he would have you carry the whole science of chemistry in your single head, and when you went to make your purchases you must either take about with you a complete outfit of test-tubes, gauges, and re-agents with which to institute analyses on the spot, or consent to adulterations that should even go to the length of poisoning you!"'

The *reductio ad absurdum* here, I maintain, is both logical and adequate. If it be the duty of the state to the individual to erect a street lamp at the corner, so that the thief who may lurk there shall not rob him with impunity; or, if he should do so, to hire a policeman to arrest the thief (if by any miracle of chance the policeman himself be anywhere else than in a neighboring saloon), it is difficult to see how the guardianship, the care, the beneficence, if you choose to call it so, of the state in behalf of the individual should not, in various directions of a kindred character, be equally extended. If the theory of the state, which, if I understand it, is the theory of an organized society in which certain functions for the common well-being are taken over from private hands and discharged by that corporate entity

## THE CITIZEN AND THE STATE

which represents them all,—if such a theory, as it has illustrated itself in generations of what we are wont to describe as advancing civilization, is a valid theory, then, at any rate, it is a competent subject for our most serious consideration how far and in what directions we shall extend it. The things that I have named by way of illustration, or things like them, we already do. Why along the same line should we not proceed farther? We have hospitals for the sick, the blind, the lame, and asylums for the orphan, the incurable, and the insane; why should we not have hotels to which a family with an incompetent woman as housekeeper, wasteful, indolent, or ignorant, may resort and become the charge of the state? An experienced observer of modern life will tell you that such a situation is one of the most fruitful causes of intemperance. He will prove to you, by statistics, if necessary, that in a great number of cases the head of a family so situated has, because of it, found his way to the saloon and become a common drunkard and pauper, and his family paupers with him; and he will undertake to prove to you, also by statistics, that it would have cost the state less

## THE INDUSTRIAL SITUATION

to have taken over this man and his family and supported them for life, than it has cost it to punish him and his children for their crimes, the product of their father's intemperance: to pay the judge who tried him, the lawyers who prosecuted him, the jury who convicted him, and the cost of the jail and the jailers who imprisoned him.

Or again, here is a youth who, tempted by the vice of a great city, gives himself the rein in all indulgences that soon breed in him their appropriate crop of loathsome diseases, and end at last in a horrible death. But, before that horrible end, this leprous thing has become a centre of appalling infection, and in a long trail of disease and physical disability and moral ruin, falling often upon the innocent and unsuspecting, has spread its loathsome length over an indefinite area of misery and shame. All this, the disciples of a new type of socialism tell us, could be prevented by methods which, if the state only legalized and administered them, would be of sure and unerring efficacy.

There is a moral aspect of such a case which I shall not tarry here to refer to further than to say that it involves a distinct endeavor to

## THE CITIZEN AND THE STATE

defeat, by human cleverness, a divine penalty. In its social aspect, however, it falls at once within the lines which condemn a whole multitude of injurious methods of relieving the individual from a sense of personal responsibility. It is just here, as a matter of fact, that we touch that which is, after all, central to the whole discussion. What is that for which you and I and the rest of mankind are here in the world? If it be to create the constitution of a social order from which everything that is individual shall be dismissed, and everything that we possess in common only shall be conserved, then plainly two results must follow: first, that only that shall be conserved which in society is of least value, at any rate according to any standard that is either intellectual or moral, since such qualities are not common but rare, and must inevitably perish under any system which destroys individuality; and again, that in the process of creating a social order that transfers responsibility from the individual to the state, you have provided a sure and certain method of annihilating, through its persistent enervation, that only and supreme force by which states live at all. A man of

## THE INDUSTRIAL SITUATION

genius in the financial world said to me, not long ago: "People often say to me in the business world, 'Young men are not, in our experience of them, what they were fifty years ago'; but when I ask them if they are not as intelligent, as industrious, as temperate, they answer, 'It is not exactly that,' and go no farther. They do not quite know how to define a difference of which elderly men are nevertheless quite sensible; but in fact there is nothing obscure in the situation;—the modern young man lacks initiative; he has been, if anything, over-educated and conventionalized." The incident is chiefly of consequence as it points to a cause for the chief difference between the modern young man and his predecessors as in the matter of resources. His are almost indefinitely greater, and his environment greatly more favorable—and more enervating. Now, when you come to deal with the problem of the state and what it owes to the individual, here is a factor which you cannot possibly leave out of account. It is entirely possible that the state might, without undue waste or loss to itself, undertake a great many tasks and burdens which, as society is at present constituted, fall to the

## THE CITIZEN AND THE STATE

individual; but the foremost question in connection with such action must be, What, finally, will be the effect of such a policy upon the individual? You may constitute a social order in which there shall be no rough angles, no unguarded pitfalls, no summons to privation or hardship; but when you have perfected it, where will you find the *men* to administer it? These are not made that way; and the *automatic* social order remains yet to be discovered.

These considerations, which point mainly in one direction, will nevertheless prepare us for the discussion of those which look in quite another. The state is, or may be, not only a guardian but an employer; and the principles of its constitution and the function of its life are of supreme interest to-day because they are, or ought to be, as great multitudes believe, the matters of her chief concern. In connection, in other words, with the friction of warfare between the capitalist and the working man, there has risen up a school of reformers who assure us that the only solution of the present social problem of mutual unrest and hostility lies in a reorganization of labor under the sole control and administration of the state. I

## THE INDUSTRIAL SITUATION

need not now enter into questions of original ownership of land or plants; it is at least conceivable that the state might be the universal lessee,—the owner being paid a minimum percentage, and the state fixing the scale of wages, engaging the laborer, and discharging the whole work of contract and oversight. Of course, the chief design in such a system would be to ensure continuous as opposed to spasmodic employment, and a fixed rate of wage. But those who have devised this scheme have never shown to us under what system of economics it is feasible. I believe it has been substantially accepted as the final truth, in the matter of work and wages, that these must needs depend upon consumption. But the matter of consumption is beyond the control of the state. If the farmer in Kansas has no wheat to sell, he has no coin with which to buy; no ingenuity on the part of the state can make up to him for a hiatus extending over two or three barren years. Production then must stop, because consumption has stopped; and while the state may parry such a situation by various temporary expedients, it must at last recognize and confront it.

## THE CITIZEN AND THE STATE

And, even if it were otherwise, that other and still graver alternative which I have already suggested would inevitably occur. "When men are established" (in the employ of the government), says the financial secretary of the British Admiralty, Mr. Forward, in his evidence as to the state employment of laborers, referring to working men in the employ of the government, "they have secured to themselves a continuance of employment; and therefore the same inducement to diligent, active work does not present itself as in the case of the hired men who, if they fail to be industrious, are liable to be discharged." It is the invariable tendency, witnessed to by the enormous cost of public improvements wherever they have been undertaken by the state, of any such system to be both prodigal in its expenditure and corrupting in its influence. In countries like England and Germany, where the supervision of public expenditure is far more vigilant than in our own, this has been consistently the experience; and indeed a conspicuous labor leader in England not long ago unreservedly admitted it. "An improvement," he says, "must take place in human nature be-

## THE INDUSTRIAL SITUATION

fore any wide extension of state or municipal employment of labor would be desirable. . . . Common control without the motive of self-interest can only satisfactorily take the place of sectional control for private gain when public opinion has reached a higher level of morality, and the inducement to discharge one's duties in a manly fashion and from a point of honor is sufficiently strong as an incentive to industry."

It is at this point that the whole question of the bettering of the condition of the working man impinges upon that of the policy of the capitalist in *his* relations to the state. How, thus far, for what ends, and in what way, has the capitalist made use of the state, and how far has he invoked its authority or its law-making power in the interests of the working man? It is when we turn this page in the history of modern industrialism that we come upon some of the least creditable characteristics of our common humanity. That distinguished advocate of the doctrine of *laissez faire* in such connections, Mr. John Bright, was the coryphaeus of a great multitude of capitalists and employers, to whose blind and

## THE CITIZEN AND THE STATE

selfish policy in dealing with the working classes the strained and inflamed relations of the two to-day have been largely due. The rapid development of great industries at the end of the eighteenth century "gave rise," as Mr. Geoffrey Drage has impressively pointed out,<sup>1</sup> "to the two classes of men, the modern employer and the modern workman. The old personal relation between employer and employed, which was possible when industry had been carried on on a small scale, had been almost destroyed. A new race of employers grew up. These were for the most part self-made men who were strangers to the etiquette, family traditions, and moral considerations which impose some restraint on hereditary wealth. The old industrial regulations for the protection of the working man only hampered the development of the new industry. Their evasion, and finally their total abolition, was rendered possible by the fact that the local administration of the law, in the manufacturing districts, was largely in the hands of the employers themselves. Both the judicial system and the administrative system were unfavora-

<sup>1</sup> "The Labour Problem," Geoffrey Drage, chapter IV.

## THE INDUSTRIAL SITUATION

ble to the working classes. The employer who exercised the functions of local government was not united to the working classes by the patriarchal tie which had formerly influenced the squire. . . . Complaints were made on every side of the arbitrary and partial conduct of the justices. The workman was treated with roughness and brutality. . . . The judicial system, although not so directly in the hands of the employers as the local administration and the jurisdiction exercised by the justices, nevertheless showed the same tendency. . . . Under these conditions the working classes were practically in a condition of slavery. New machinery was continually introduced, and men were consequently thrown out of work, women and children being employed at reduced wages in their stead. In the evidence given before an English Parliamentary Committee, 'instances were given of the employment of children who were so young that they had to be carried to the factory, or who were kept awake at their work during the night by blows. Mention was made of children who were so exhausted after their work that the food had to be put to their mouths, and of others who

## THE CITIZEN AND THE STATE

were sold to the employer by the parish authorities out of the foundling hospitals. The same disgraceful state of things prevailed among the women who were employed in the place of men. Out of 419,590 factory hands there were 192,887 under eighteen years of age, . . . and the number of male adults at work in the factories was less than a quarter of the whole number. The evil results, both physical and moral, were so grave as to be regarded in the light of a national disgrace, and were described as disgusting and brutal.''" Similar conditions prevailed in connection with "the employment of women and children in collieries and mines, and . . . in the case of men in various other industries, such as shipping.'" Dr. Baernreither, in his volume on "English Associations of Working Men," speaks of the incredible abuses which existed in the shipping industry, owing largely to the greed of the unscrupulous owners, and consisting in sending unseaworthy ships to sea in order to make a profit out of their loss by means of over-insurance. Speaking of this period, Dr. Baernreither says in the same volume: "The modern history of the West records, perhaps, no greater plun-

## THE INDUSTRIAL SITUATION

dering of man by man, than that which was then committed against a large number of the English working class. . . . The unrestricted employment of women, girls, and children destroyed family life, and not only degraded whole classes of working people to an extent almost past belief, but crushed at once all hope of the rising generation."

I do not forget that, in that heroic movement in England for the correction of these evils, the foremost supporters of factory legislation were Sir Robert Peel the elder, and Robert Owen, two of the greatest employers of the time. But the man to whom the initiation of the whole reform was owing was Lord Ashley, afterward Lord Shaftesbury, who, being outside of the whole situation, was able to see its colossal evils and mischiefs with an impartial eye, which, until his indignant denunciations roused them, not even these great factory owners were able to turn upon it. The volume by Mr. George Gunton, "*Wealth and Progress*," to which I have elsewhere referred, furnishes abundant evidence of the same condition of things in our own land until a few brave men and women in New England recognized its horrors and

## THE CITIZEN AND THE STATE

stroved to rouse their fellows to its shame. And it is just at this point that the relation of the state to the whole subject becomes plain; because it was not until the employer was compelled by the state to recognize and remedy them that, as a rule, these cruelties and injustices were equitably dealt with. Now, a sound public opinion may operate in two ways. It may act upon the mind and conscience of the employer, by convincing him of his duty in the matter of his stewardship of life and character in the persons of his workpeople; or, it may act upon others, even though he remain insensible to it, so far as to produce in legislation the necessary remedial constraints. Undoubtedly the former is the better way. But the state exists not only as an educator, but also as a wholesome compulsion; and when some of us are disposed to resent the invasions, as we believe, of personal liberty in present or proposed legislation as to conditions and hours of labor, and the like, we must go back in our search for the initial responsibility to the employer or the capitalist. These represent, or are supposed to represent, our higher intelligence. These hold in their hands, to an enor-

## THE INDUSTRIAL SITUATION

mous degree, the determinative power. These are supposed to be not insensible to the restraints of a humane chivalry. *Noblesse oblige!* How far do any such considerations seem to have influenced them? And if they have not, can it be wondered that those whose lives are hard and empty, and whose muscles are prematurely stiff with excessive toil, should remember that they hold in their hands one weapon—the ballot—which can compel the recognition of what they believe to be their rights? When one goes back over the story of the working man during the century that has just ended, what is the most tragic and impressive fact that it presents for our consideration? It is this: that all along, from first to last, whether in other countries or our own, those things that have been conceded to the working man for his protection and betterment—the prohibition of child labor, the sanitation of factories, the restriction of the work hours of women, and the like—were wrung originally from the employer by law, and rarely or never granted voluntarily. It is indeed different to-day; and the modern employer of labor has had demonstrated to him by the indisputable argu-

## THE CITIZEN AND THE STATE

ment of experience that restrictive and beneficent measures in behalf of working men are “good business,” and is himself adopting those measures from economic if not from benevolent motives. And so the apostle’s words have found, in the modern industrial world, a new and most dramatic fulfilment; and the law has been a schoolmaster to bring the reluctant employer, little as he may recognize it, to the recognition of those great principles of human brotherhood which are of the very essence of the divinest Teacher who has ever spoken to men.

And thus we come abreast of a very high office of the state in the modern industrial world, and that is as an educator, and, in that connection, of the responsibilities of good citizenship. A review of the history of a year’s legislation in any great commonwealth such as this, would have, in this connection, a very suggestive value. For it would be found, I apprehend, that the greater part of that legislation was for purposes that are largely commercial or financial; the organization of corporations, the safeguarding of great business interests, and the like; and a very secondary part of it for these

## THE INDUSTRIAL SITUATION

higher purposes which safeguard the interest of the individual, and especially those who are weakest and least able to secure a hearing for themselves. It is for these, supremely, that you and I should be concerned. Wealth can take care of itself; but it is he who, as the toiler at the bottom of the social structure, is most easily forgotten or overlooked, who needs your interposition and mine. And the state as the law-giver for the weak and defenceless fulfils its sublimest function.

The bearing of all this upon the question of the character and the competency of those whose office it is to represent the state as its official functionaries must at this point occur to us, and is of paramount importance. In connection with industrial legislation it has been found that the most perfect law may be defeated if its execution depends upon a corrupt official; and the history of some of our greater cities and commonwealths is a tragic demonstration of the worthlessness of the best legislation, if the execution of the law is vested in incompetent or dishonest hands. It is at this point that public-spirited citizenship has the opportunity to render the greatest service to the state, and by

## THE CITIZEN AND THE STATE

means of that service to make the state the most powerful of all human factors for truth and righteousness. A good law in the hands of a bad man is even a less effective weapon than a bad law in the hands of a good man. But if, instead of either of these, you can create a situation in which good laws are vested for their administration in the hands of good men, then you have a situation which in its essence is divine. For, after all, though we call ours a constitutional and not a paternal government, the most rigidly constitutional government must forever be, in some sense, paternal. It is not self-acting. It is not a mechanism in which, whether in its interpretation or its application, one is wholly without opportunities for the exercise of a personal discretion; and, under its most strict construction, there may still breathe through it a personal note which is the courage, the equity, or the benevolence of its administrators. How urgent, then, the demand for a system in all our civil service by which the state shall be able to secure for herself her best sons, through whom her laws shall shine as the beacon lights to guide not alone those with wealth or influence, not alone

## THE INDUSTRIAL SITUATION

the classes that are privileged or potent, but the least known or gifted or powerful among us all!

It is along these lines that the state calls for the intelligent service and cheerful self-sacrifice of her best sons, with clearest and most imperious note. We are fond of quoting Mr. Gladstone's eulogium that our constitution is the most admirable thing of its kind that the art of man has devised. Mr. Gladstone so believed because he conceived of it as doing its work under the guidance of wise hands, inspired by the ballots of a free and enlightened people. But who are they in whose hands, with such precipitate generosity, we lodge this, which is, after all, the final and controlling power? Time was, and that not so long ago, when you here in this great commonwealth were, with the rest of us, substantially a homogeneous people. Three great strains mingled, originally, in the founding of the republic—English, whether Cavalier or Roundhead, Dutch, and Huguenot; and they were mutually stimulating and ennobling. But to-day I had almost said there are three hundred of them, some of them better and some of them worse,

## THE CITIZEN AND THE STATE

but many of them, so far as their representatives here are concerned, pregnant with evil and mischief to the peace of the state and the purity of our institutions. And he who believes in the state as a part of the divine ordering for the well-being of society must recognize that, in view of such dangers, to safeguard its traditions and elevate its official life is one of his most brave and imperious obligations.

For to lift this whole subject to its highest plane, the state in its largest and loftiest aspects, stands with us to-day for the final impression of our American civilization. Do we appreciate the reach of these words? We set out originally upon our forward march as a republic with a theory of the measure of its responsibilities which was wholly local and limited. The essence of the Monroe Doctrine was that, as far as practicable, we were to isolate ourselves from other lands and peoples, and to work out our own destinies upon our own soil, and under our own skies. Territorial or imperial expansion had, it must be owned, no place in the dreams of the founders of the republic, nor in the organic conceptions of our

## THE INDUSTRIAL SITUATION

earliest and, as many of us believe, our greatest statesmen. There were reasons for such a position in the situation, as it then existed, which were natural enough; and which cannot, all of them at any rate, be exalted to that superior realm of motive and character to which very often, the modern anti-imperialist has attempted to raise them. We were a weak people originally, and international alliances with other nations, most of them frankly hostile to our form of government, and vastly more powerful, more experienced, and more ambitious then than ourselves, might easily have issued in the loss of an independence which had then only just been dearly won. And, even if this had been otherwise, we were mainly in possession of a vast continent which was large enough and various enough in its many opportunities and resources for the most exaggerated ambition. Our safety greatly lay, in other words, in minding our own business, and in staying at home to do it.

And if the conditions in this land had remained what they were a hundred years ago, the same policy would doubtless seem as wise

## THE CITIZEN AND THE STATE

to-day as it did then. I have no smallest intention, let me say, of undertaking the advocacy of a different policy, concerning which there is no doubt much to be said that, if it does not discredit it, clouds its wisdom with the shadow of considerable and very grave uncertainties. But I am referring to our situation to-day as one in which, like the ordinance of marriage, we have entered upon certain relations for better or for worse, and in connection with which there have come to the state, in the widest significance of that term, great and grave responsibilities. To bemoan the blunder that assumed them, to berate the individuals or the policy that may have been responsible for that blunder, is about as wise as the act of a commander on the bridge whose steamer having been run into a network of menacing rocks and shoals, is abusing the pilot instead of helping him to find his way through them. The situation, in many respects of it, is a wholly novel one. A wise statesmanship, a just recognition of high responsibility, will best serve God and the country by seeking to find its way honorably and helpfully to meet and discharge that responsibility.

## THE INDUSTRIAL SITUATION

And this is the more urgent because the extension of the area not only of our national influence but of our national sovereignty involves tasks and obligations of a wholly new character to wholly new peoples. It cannot be denied that a large part of what I think I may not unjustly describe as a policy of aggressive imperialism is also a policy of aggressive commercialism. The “market” is to the minds of a great multitude of people among us the word, to-day, of the most magic import. What can we buy more cheaply in the Hawaiian or Philippine Islands than anywhere else, and what can we sell more dearly there? These, and not other and more serious questions which ought to concern a Christian people, are the importunate interrogations of the hour.

It need not concern us here to answer them; but it ought to concern us to recognize what may be involved in a merely sordid and greedy answer to them. “It is scarcely possible,” says Mr. J. A. Hobson, whose admirable volume, if I have not already called your attention to it, I desire to commend to your thoughtful consideration<sup>1</sup>—“It is scarcely possible for any one

<sup>1</sup> “The Social Problem,” J. A. Hobson; p. 273 *et seq.*

## THE CITIZEN AND THE STATE

pretending to form a rational conception of life to maintain that the rule of brute force maintained in the phrase *homo homini lupus*, though no longer applicable to individuals, still holds of nations. But if it does not hold, some standard of human utility must take its place. How slow has been the dawning of any rational conception of humanity, or of any feeling of a need of it, is testified by the current reluctance of statesmen and publicists to confront this issue. Yet many dim signs of its recognition are discernible. Not only England and America, but nations with a somewhat less developed standard of political morality, like Germany and Russia, are no longer content to justify their territorial aggression and their interferences with foreign nationalities, on the grounds of mere selfish expediency; but profess a certain mission of civilization, insisting, at any rate, that the attainment of their private ends is accompanied by a gain to the world, and, in particular, to the land or nation which is the object of the encroachment. The British conquest of India, the Russian advance in Central Asia, the opening up of China by the leading European nations, the partition of Af-

## THE INDUSTRIAL SITUATION

rica into 'spheres of influence,' though motivated undeniably in the first instance by the particular commercial or political interests of great 'powers,' are defended also on the ground that, by spreading 'civilization' they make for the general welfare of the world.

"Now beyond pointing out a suspicious resemblance which this line of reasoning bears to the exploded argument of the old economists, that an 'unseen hand' guides the enlightened selfishness of individual economic men to make for the greatest good of the community, we are not here concerned with the merits of these particular movements. What does concern us is the testimony which the history of modern national movements bears to the need of a scientific sociology. . . . It no longer suffices for each nation to claim to be its own arbiter as to the part it shall play in civilizing the world, and as to the spheres of political, industrial, and moral influence over which it seeks to operate. The mere *ipse dixit* of a nation which professes a mission to annex some portion of the globe, and to break it in for the civilization of Christendom, will have little weight in any rational consideration of a world economy. On

## THE CITIZEN AND THE STATE

the other hand, a rigid conservation of existing territorial boundaries is neither historically feasible nor desirable. The utilization of the natural resources of each portion of the globe should be assigned to the people which can most effectively undertake it. This test, it is true, is eagerly accepted by every aggressive power, which adduces its very power of conquest as best evidence of the superior efficiency required. So we hear of the 'more efficient' and the 'less efficient' races; and it is suggested that it is 'the destiny,' or even 'the mission,' of the former to 'wipe out' the latter, or to subjugate them. But two fallacies plainly underlie this argument. In the first place, efficiency, for the purpose in hand, is not attested by capacity of conquest, or even by superiority in the present arts of industry. Take the nations of Western Europe by their own valuation, and the whole earth is theirs, by indefeasible right, for the purposes of industrial exploitation, and for such political control as is essential to secure this object. Such a course is good for the conqueror, good for the conquered, good for everybody!

"But sociology, even in its dim beginnings,

## THE INDUSTRIAL SITUATION

condemns the fallacious simplicity of such a solution. It finds 'efficiency' a relative term. The 'fittest' individual in some primitive society might be the man who, by force or cunning, was most successful in knocking his fellows on the head and taking their property. That form of 'fitness' has, however, in most societies yielded place to quite different forms. So, in the society of nations, we cannot conclude that a nation is absolutely more fit and efficient because it is stronger in war or more advanced in certain arts of industry. Such 'fitnesses' may not be the best tests of a nation's ability to 'civilize' another or to develop its material resources; and to turn the world into a cock-pit for the application of these tests may not be a wise economy of the material and moral powers of humanity."

In other words, when a nation is stretching out its hand to grasp more territory, alien races, distant civilizations, or opportunities for the extension of its own, the first question must needs be, What is its competency to discharge any such responsibility or to administer any such trust? What has it achieved, of its own, which

## THE CITIZEN AND THE STATE

warrants it in saying even to some savage tribe, “The end of life is happiness,—physical, mental, and social well-being. You shall have superimposed upon you our ways, our laws, our modes of life, and, most of all, upon the vast majority of you, our tasks, and all that they involve”? There is an answer to that question in the language of a recent traveller among such tribes, which is, just here, perhaps not altogether impertinent: “I have visited,” says Mr. Bryden,<sup>1</sup> “nearly every native town of consequence in Bechuanaland, and I say unhesitatingly that the people are at this moment, physically and morally, far better off than many thousands of the populations of our great cities in Great Britain, living happier and healthier lives by far than seven-tenths of our poor folk at home.”

Is this to demonstrate that, after all, a Christian civilization and the wise oversight and influence of a great Christian state have nothing to contribute to pagan lands and peoples? Most surely not; but it is to indicate that, as yet, its own standards, moral, social, industrial,

<sup>1</sup> “Gun and Camera in South Africa,” by A. Bryden, p. 129.

## THE INDUSTRIAL SITUATION

are sorely below a worthy level, sorely below the level of either honorable or adequate achievement.

And so we see our calling as individuals, as citizens, as the children of a great republic. Authority needs to be reërected in the heart of the individual, in the counsels of corporations, before the eyes of the nation. We speak of the powers and responsibilities of the great states of Europe—Russia, Germany, Great Britain, and the rest. But to-day the world owns that neither powers nor responsibilities such as these are, after all, a match for ours. How shall we use our strength? How shall we learn our obligations? How, most of all, in this great and seething and aggressive industrial life of ours, shall we do our duty to our fellow-man, to our weaker fellow-man, to toilers and sufferers, under ground, in mills and factories and sweat-shops, and so make ours a state meet to lead and to rule, whether at home or abroad? To that question there is one answer, and only one. We must not only affirm the brotherhood of man: we must live it. For then the state, and, in the state, the home, the church, and the individual, shall become the incarnation of a regen-

## THE CITIZEN AND THE STATE

erated humanity, and earth, this earth, our earth, here and to-day, the vestibule of heaven!

And now my task is done. I would that the doing of it had been half so interesting to you as it has been to me. As, evening after evening, during these two weeks, I have found myself looking into your faces, I have believed that I saw in them the evidences of a sincere and increasing interest in the great and grave themes with which we have been concerned. With all my heart, I pray that I may not have been mistaken! You know better than I, for you are in closer touch than I to the experience which long ago taught me how easy it is to welcome, intellectually, views and suggestions which the mind may take, after all, only as the eye takes in a bit of vivid color or the movement of a waving banner. That banner may be the flag of one's country, and the color that imperishable crimson with which the blood of its dead heroes has dyed it; and yet it may do no more, as we watch it, than kindle an emotion or give a gentle fillip to a torpid and sentimental patriotism. And so of great ideas, the images of great duties, the prophecy, as they ought to be, of great service. Said the

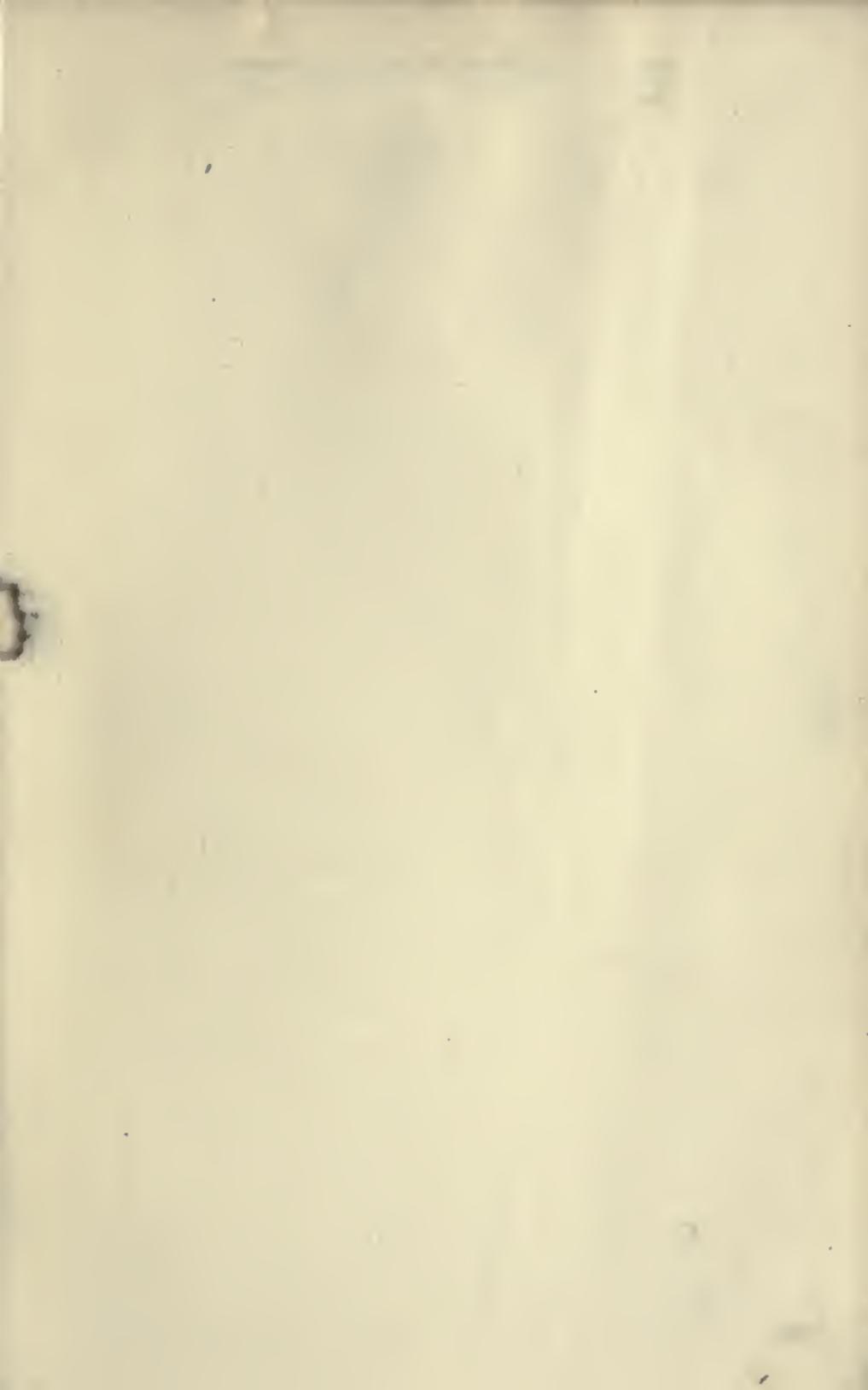
## THE INDUSTRIAL SITUATION

founder of these lectures when last I saw him: "Will you say to those young men that the foundation has been created to produce, if it may, not so much speculation as interest, not so much dialectic cleverness, as downright work. The times are waiting for men who shall serve, and not merely enquire; strive, and not merely investigate; give to their age and their kind, not so much learning in bulk as wisdom in action; great doing as the only true fruitage of great thinking; the consecration to the uplifting of one's fellow-men of one's *best*, rather than the conserving, by mere culture, of one's self." I deliver his message, my brothers, as he has sent it to you. The thought behind it, though the poor words that utter it are mine, is all his own; and, though he will not thank me for saying so, it comes from one of those who have lived and wrought—even as they long, to-day, to see the young manhood of America, and preëminently of this great university, live and strive and serve—for God, for right, and so for all human kind.









THIS BOOK IS DUE ON THE LAST DATE  
STAMPED BELOW

**AN INITIAL FINE OF 25 CENTS**

WILL BE ASSESSED FOR FAILURE TO RETURN  
THIS BOOK ON THE DATE DUE. THE PENALTY  
WILL INCREASE TO 50 CENTS ON THE FOURTH  
DAY AND TO \$1.00 ON THE SEVENTH DAY  
OVERDUE.

DEC 11 1933

REC'D LD

20 Nov '61 SS

JUL 21 '65 - 5 PM

REC'D LD

NOV 6 '65

22 May '63 MF

REC'D LD

MAY 15 1963

120-6586X

REC'D LD

JAN 8 '65 - 8 PM

14 Jul '65 VI

YB 19150

